

duction forests, except as far as we know, Chile, had one, with some of their forests under State ownership. We found it inconceivable to imagine the European countries resorting to privatisation. We claimed that forests were very long-term in nature and that for this reason forest-growing countries did not approve of politicians, who are short-term in office, or accountants and economists who are often short-term in thinking, making irrevocable decisions about the future of publicly-owned forests. These considerations did not appear to influence those with whom we talked.

#### Short-term Disadvantages

More recently we have concentrated on the short-term disadvantages of selling. In brief, these include the following:

- The 1990 and 1992 sales were far from being wholly successful economically. There is no evidence that currently Treasury would do any better. The sales have not resulted in major new industries in New Zealand; there have been some, but compared with the earlier pulp and paper industries, they have been minor.
- With low world market prices for pulp, sawn timber and export logs, 1996 could be a bad year for selling.
- Both the two likely NZ contenders are currently having economic problems and are, though not to a large extent, reducing production.
- There is no surplus of wood available for sale until the year 2005, unless the sales are at the expense of local sawmills or export logs.

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The last point is a vital one. Of the 3,400,000 cubic metres that the Corporation produces, more than one-quarter goes out as export logs. Production from the forest is expected to be virtually static for the next eight to nine years. The only major independent analysis of the proposed sale, by Michael Smith of Rotorua, concluded: "Cutting rights in themselves may not be the only initiative required by the Government to attract further investment in the industry". We agree with this; yet Mr Birch has currently refused to give any indication that there will be "initiatives" to reduce log exports or to curtail local sales. He may be absolutely right in his stance but he cannot then claim, as he does, that the proposed sale would lead to major local processing developments in New Zealand. What he has said is: "The best answer is to create a climate where it

is attractive to invest in further processing". This is a most nebulous statement.

#### Going Ahead

On April 3, 1996 Mr Birch announced that the Government had decided to go ahead with the sale. Tenderers would be required to outline their processing plans and their intentions for supplying logs to local industries. They will have demonstrated their ability to manage and develop the forest and they would be required to replant.

It is expected that the sale process will take four to five months. Therefore, the closeness of the forthcoming General Election will ensure that politics will influence whether any sale is made.

**Priestley Thomson**

## Clarity – A comparison of Forest Policies a century apart

(Courtesy of the Commonwealth Forestry Review, Vol 74(1), 1995)

**1894**

"The whole policy is based on the main object of the greatest good to the greatest number, and, from the forestry point of view, this is attained by the following general principles:

- (a) that first and foremost the preservation of the climatic and physical conditions of the country comes before everything else;
- (b) that the preservation of the minimum amount of forest necessary for the general well-being of the country is second only to (a) above.

Provided the above two conditions are fulfilled, then:

- (a) agriculture comes before forestry;
- (b) the satisfaction of the wants of the local population at free, or at non-competitive rates, comes before revenue; and
- (c) after all the above conditions are satisfied, the realisation of revenue to the greatest possible extent (compatible with sustained yield) is permitted."

**Forest Policy for India, 1894**

or

**1993**

"Sustainable management means the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems."

**Ministerial Conference on the Protection of Forests in Europe, 16-17 June 1993**

Forgiving some sentiments of an earlier age, who gets the prize for clarity?

**John Purey-Cust**