Forest Ownership and Future Stumpages

There have been during the past year a number of mergers between companies possessing considerable forest resources and others which are better situated financially and geographically to process and market the products from such forests. These have reflected again the strong trend towards control by wood-consuming companies of the sources of their raw material. Unexceptionable as this may be – considered in terms of efficiency, security and permanent management – it is a trend which will have a profound effect on the future sale and management of forest produce in New Zealand.

These forest-owning companies, or combinations of companies, who are thus insulating themselves against continued future dependence on outside purchase of logs or other raw material, will collectively represent the bulk of future retail outlets. Although the Grainger Report provides assurance that there will be from the seventies onward a net deficiency of forest resources in New Zealand, the developing pattern of corporate forest ownership bodes ill for the private owner. If the major exotic State Forests are to be dedicated to the role of providing at less than cost the raw materials for industries earning much-needed overseas funds, and the larger companies are in a position arbitrarily to determine the distribution of profits between forest and utilization plant, how is the true stumpage to be ascertained for those owners who are forced to market their forest produce independently? There appears to be as much danger in accepting inflated prices resulting from temporary local deficiencies, as there is in sacrificing crops at low prices. If timber is forced off a competitive market by excessive stumpages, the independent forest owner will suffer most, because many of the retailing companies are protected by their interests in alternative materials for construction.

Many utilization companies are now prepared to expend all the funds necessary to ensure for themselves future supplies of quality saw-logs. However, the same close watch on costs that is already found in their processing plants will undoubtedly be applied also to their forestry activities. The primitive budgeting and costing methods of the past will no longer suffice to ensure that the true cost plus a reasonable margin of profit will be recovered. All foresters will sooner or later be confronted with the necessity to present a financial accounting for the results accomplished by their forest extensions and intensive silviculture. They do not need to be told that their forests will suffer unduly if the pressures of economics are allowed full rein, to the exclusion of other technical considerations. It is nevertheless
timely to remind those responsible for the future of the profession in New Zealand that . . . "There is no such thing as silviculture for its own sake, nor should there be; it must always be bound up with the economy and technique of the whole . . ." (K. Rebel).

Forest Expansion

At the Industrial Development Conference in 1960 it was evident that there existed a difference of opinion on the need for forest expansion in New Zealand. Since then, these differing opinions have been aired on several occasions and it has become increasingly obvious that, while there are differences between economists and foresters, the real point at issue concerns the interval of time necessary to reach an agreed objective.

All agree that New Zealand will need to increase her forest estate and that there are good possibilities of developing an export trade in wood products. It is therefore essential that a forest policy be agreed to by all parties. This agreement should be possible once certain basic points are established. These are:

1. The projected rate of growth of markets.
2. The point at which New Zealand will cease to be able to follow this projected trend from its present forest estate.
3. The necessity for further forest establishment to anticipate such future inadequacy.

These questions should be answered without delay. New Zealand can no longer afford to have dissension over such basic development. If necessary the Government should appoint a select committee to examine the question.

Conference on Pulp and Paper Development in Asia and the Far East

In October 1960 a conference on pulp and paper development in Asia and the Far East was held in Tokyo under the joint auspices of three United Nations agencies, including the Economic Commission for Asia and the Far East (ECAFE). The object was to discuss technical, economic and financial influences on the supply of more pulp and paper throughout the region. The Conference was attended by a delegation of four from New Zealand – an officer of N.Z. Forest Products Ltd, two officers from the N.Z. Forest Service, and one from the Department of Industries and Commerce. An important prelude to the meeting was a world consultation on pulp and paper demand (held in Rome in 1959), at which world trends in consumption and the methodology of assessing demand projections were studied.

Figures produced at the Conference indicated that the demand for papers and paper board in the Far East and Oceania would increase from about 5.8 million tons in 1957 to almost 11.5 million tons in 1965, and not less than 25 million tons in 1975.

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At present, in all the countries throughout the region, except Australia, New Zealand and Japan, production about matches consumption. New Zealand and Japan are the only two net exporting countries and Australia is an importing country. Production in nearly all countries is by small units which are based on local raw materials—rice straw, bamboo, and bagasse. Future Asiatic development must also be based upon these. Some wood is now used where a reasonably uniform supply can be obtained, but there is little production based on the very extensive tropical hardwood forests.

Because of the lack of overseas exchange in most of the Far East countries there would be little possibility of a substantial market developing in the immediate future for New Zealand or other pulp. Our immediate future seems to be closely tied to Australia. The position throughout the Far East should however be watched closely, as markets are bound to develop in time.

The Tussock Grasslands and Mountain Lands Institute

For many years, as all readers of this Journal will be well aware, there has been much anxiety in many quarters concerning the condition of the mountain lands of New Zealand. As foresters, we know that all is not well with the protection forests and the associated alpine grasslands and scrublands that lie beyond the limits of pastoral occupation; and it is as abundantly certain that conditions are no better, but in fact frequently worse, over much of the high altitude, occupied tussock grassland country.

We have known this, many people have known it, for many years; but, despite the existence of a plethora of governmental or semi-governmental agencies with administrative or research responsibilities for the mountain lands, progress toward the correction of the situation that confronts us has been exorbitantly slow. Progress has been impeded by multitudinous misunderstandings, conflicts of interest, or downright antagonisms between those immediately concerned. There has been virtually no concerted, co-operative attack, based on mutual goodwill and understanding, on the mountain lands problem as a whole. Whilst this situation persisted, the support of the nation, expressed through the House of Representatives, for major action directed toward the rehabilitation and better management of the mountain lands could not possibly be achieved.

We hope that the era of conflict and dispute nears an end. In the Tussock Grasslands and Mountain Lands Institute, established in 1960 with headquarters at Lincoln College, we now have an independent body, representative of all the major interests concerned, which should be capable of resolving conflicts and eliminating misunderstandings and of speaking for the mountain lands with one united voice.

The Institute is financed by the Soil Conservation and Rivers Control Council with additional funds granted by the N.Z. Meat
Producers’ Board and the N.Z. Wool Board. It functions under a Committee of Management on which the S.C.R.C. Council, the Meat and Wool Boards, the Department of Agriculture, the Forest Service, the Department of Scientific and Industrial Research, the Department of Lands and Survey, Canterbury Agricultural College, and the High Country Committee of Federated Farmers are represented. As its first Director, the Institute has a man of wide experience, abundant energy and vast enthusiasm – L. W. McCaskill, a man well known to New Zealand foresters and possessing talents appreciated by all who have worked with him.

The road ahead of the new Institute will be a long one. It will be rough and rocky in places. We cannot expect the mere establishment of the Institute to bring about immediate revolutionary changes in mountain land use and management. But at least we now have a springboard for advance and a strong point about which all available resources can be rallied. In its task of co-ordination, education and leadership we wish the Institute and its Director well and offer the full co-operation of foresters in achieving the formulation and implementation of a sound, unified, mountain lands policy.

Re-organization of Forest Service Head Office

The change in Director-Generals of the Forest Service has brought with it changes in Head Office organization. This was perhaps to be expected since the retiring Head had occupied the position for twenty-two years and, as was well known, had developed his own direct methods of administration. Meantime the Service had grown from 144 to 1,444 permanent staff, and developed large commercial activities and a Forest Research Institute, and had annexed additional functions such as noxious animal control.

The general structure of the Service remains the same – Head Office under the Director-General, and seven Conservators, his direct deputies in the field. In Head Office the organization has been streamlined by reducing what were six divisions and two embryonic ones to three, each headed by a Director. The Forest Research Institute must be regarded as a fourth major division since it is now headed by a Director of Research who has been made directly responsible to the Director-General. That this is warranted is evidenced by the fact that the professional staff of the Institute now numbers forty-five. The position of Assistant Director-General is not being filled. It is not a statutory position under the Forests Act nor was it made so under last year’s Amendment which transmuted the Director to Director-General. On the other hand the status of the three new directors has been raised and the Director Management Division made senior. Thus the correct emphasis on forest activities has been established in the Forest Service Head Office.

The Management Division, being the main one, is divided under two Assistant Directors; one will deal with silviculture, working
plans, protection forests and related matters, and the other with investigations of available forest resources, wood consumption and industrial uses all leading to timber sales. Meantime the Industrial Section, under the old Forest Products engineer, is also domiciled in the Management Division. One can see a need for an expansion in this section in order to service industry more fully. It is in this field that the main contact between the Service and the public lies.

The Administrative Division in addition to its usual clerical and accounting servicing functions takes over recruitment and training. The old Engineering Division, which now has under it civil, mechanical and communication engineers, is also for convenience domiciled in the Administrative Division, but retains its entity as an engineering servicing unit. The Commercial Division retains its former functions of running the Department's sawmills.

One hopes that this re-organization will lead to smoother functioning of the Forest Service Head Office and to greater delegation than hitherto. Forests are usually comparatively remote and many things have to be decided on the spot.

In connection with this re-organization foresters will read with interest the deliberations of the Royal Commission on State Services. Will the functions and the organization of the Service be further altered? It was once a branch of Lands and Survey. One can think of many permutations and combinations of Departments and departmental activities which could be considered. The Service has grown immensely in stature since it was formed in 1920 and the general trend throughout the world seems to be that forest agencies are growing stronger as forest products become more important. One could think of some additional major functions, particularly those requiring technical guidance, which might well be passed over to the Forest Service.

**Affiliate Membership**

The amended constitution approved in 1960 provides that “the Council may elect as Affiliate Members any persons who are not eligible for membership in the previous four classes (honorary members, members, associate members and student members) but who are interested in furthering the objects of the Institute and are deemed by the Council to be worthy of election.” For many years the Institute has discussed its attitude towards those who are not primarily forestry practitioners but who are none the less furthering the development of forestry and the interests of the profession of forestry in this country. There are such “friends of forestry” whose experience, maturity and judgment can benefit our deliberations and whose standing in the community can further the acceptance of views expressed by the Institute.

Yet it must be admitted that Affiliate Membership could be a danger to the integrity of the Institute. This fear was apparent in the
protracted discussion of this provision which delayed revision of the constitution for several years. Even though Affiliate Members have no voting powers they can still exert an influence on Institute affairs and, merely by association, compromise the impartiality of its views on controversial issues. In this connection it is fortunate that a suggestion that companies and other organizations connected with forestry might be granted Affiliate Membership received little support. The possible damage to the standing of the Institute would have been too high a price to pay for the financial gain from the suggested higher subscription rate for such bodies.

It is hoped that this grade of membership will be granted only to those persons who are worthy of the privilege: we have no doubts about those already elected.

Multiple Forest Use – The Fifth World Forestry Congress

The Fifth World Forestry Congress held at Seattle, U.S.A., late in 1960 was attended by a delegation of eight from New Zealand, of whom two were government delegates and the remainder representatives of trade and private forestry interests. In all, some 2,000 delegates attended, making the Congress by far the largest yet held. As one would expect of America, it was organized with great verve, imagination and efficiency.

The official theme of the Congress was multiple use – fittingly so, by reason of the current pre-occupation of the host country with this philosophy of forest administration. Of the three General sessions, two were devoted to discussions on multiple use. The key-note address, delivered by the President of the Congress (Dr Richard E. McArdle, Chief, U.S. Forest Service) was entitled “The Concept of Multiple Use of Forest and Associated Lands – its Values and Limitations”. In addition, the Congress was opened by a pageant dramatising the different uses to which American forests are put; the official postage stamps of the Congress illustrated the same theme; and during the Congress and on tours delegates had pressed upon them, almost with missionary zeal, a host of documents extolling the virtues of multiple use and emphasising the great progress which American forestry has made in practising it.

In his address, Dr McArdle stressed that there is of course nothing new in the concept of multiple use. It is significant that the first U.S. Forest Service manual was called the “Use Book” and that a multiplicity of uses was recognized. Even before this the Forest Service had been instructed by the then Secretary for Agriculture that “... national forest land was to be devoted to the most productive use for the permanent good of the whole people, that all of the resources were for use, and that decisions would always be made from the standpoint of the greatest good of the greatest number in the long run”. According to Dr McArdle these instructions are the genesis of multiple use and have constituted Forest Service doctrine from its beginning.
Few foresters would disagree with the philosophy of this, the commonest of all multiple use slogans—"the greatest good of the greatest number in the long run". What did surprise and even dismay many delegates was the information given by Dr McArdle of recent American legislation. An Act of June 12th 1960 directs that all federally owned forests shall be managed for sustained yield and multiple use. The Act names the five basic renewable resources for which national forests shall be established and administered, i.e. wood production, grazing by domestic livestock, habitats for wild game and fish, use as watersheds, and use for outdoor recreation. Most significantly, the Act also assures that these five uses will have equal priority under law. The New Zealand delegation, and many others, felt that this last provision is a retrograde step, and that it may have unfortunate consequences for American forestry.

In discussing land management under a multiple use policy, Dr McArdle enunciated the sound principle that the control of all uses on the same land must be vested in the one authority. Unfortunately the U.S. Forest Service has not had control of one important use, wild life, on National Forest land. The Administration is thus powerless to prevent over-use of forest land by deer and other grazing animals, to the detriment of regeneration or of watershed protection values. That being the case it is the more surprising that all users have been given equal priority under the Act. Many other examples could be quoted of the conflict of interests in the American forest scene. The Forest Service is continually under pressures—often strong, nearly always conflicting—from powerful graziers, no less powerful lumber barons, the users of water (both domestic and industrial), mass recreationists and the extremely vociferous "wilderness" recreationists. The Administration has glorified and publicized multiple use, and has had it written into the legislation, obviously in an attempt to counter the very real pressures of such restricted-purpose user groups. It may well be that by glorifying the concept and by entrenching it in legislation too rigid the administration will find that the reverse can happen. One fears that henceforth the forester may be hampered rather than helped in working towards his prescribed ideal—"the greatest good of the greatest number in the long run".

In another Congress paper dealing with multiple use on privately-owned forest land, a timber industry definition of multiple use was given as "the accommodation of a maximum of other compatible uses with the highest single use of the land". This simple and admirable definition recognises the principle of priorities amongst uses, and is at sharp variance with the "equality" principle of the American legislation. It is gratifying to record that Congress took the point and, in its formal report, included a modifying statement: "The Congress recognised that in most forest areas one particular use will be dominant and that other uses are permissible only if they are not to the detriment of the major one".