

forum for systematically examining sectoral goals and advancing the shared vision of the role of plantation forestry (state and private) in the future national economy.

Ironically, the department entrusted by the then Prime Minister with managing this major indicative planning exercise refused to recognise the validity of the afforestation targets finally formulated to round out the proposed state contribution.

A similarly negative response to setting up a revolving fund for Forest Service operations left corporatisation and associated opportunities for financial self-sufficiency as the sole available avenue to round out the state effort with funding certainty. The opportunity so presented, and the subsequent privatisation, in my view enhance the possibility of realising the broad economic objectives set out in the 1960s and 1970s, more certainly than any taxpayer-

dependent restart of state forestry is likely to do.

I hope that this debate will continue with some input from those organisations which saw fit to invest in the state-created forest resource, and which now have the opportunity collectively to realise the ambitious national and export goals first formulated in the 1960s.

Andy Kirkland

## Why sell Kaingaroa Forest?

Kaingaroa Forest is the largest man-made forest in the Southern Hemisphere, perhaps in the world. It is also one of the best. It has been intensively managed for nearly 50 years with carefully thought-out thinning, pruning and replanting programmes. It has been improved enormously by the tree-breeding programmes carried out by FRI, itself acknowledged as one of the best forest research institutes in the world. It is an extremely valuable forest paying good returns to the Crown. For decades it has been the envy of every other forest-growing country. It is truly a jewel in New Zealand's crown.

Why then should the Government be so keen to sell it?

Almost every other forest-owning country in the world maintains some of its state forests. They realise that forests are extremely important national assets, that Crown ownership can enable Governments to influence the location and nature of developing forest industries, and that they enable Governments to maintain consistent and stable forest policies. They do not believe that assets that have taken decades or hundreds of years to develop should be sold because of the short-term thinking of some accountants and some politicians.

Forests are long-term in nature; they go on for hundreds of years. Accountants' views can change and politicians are commonly only in charge for relatively short periods. They do not know whether or not in 20 or 50 or 100 years New Zealand will want or indeed need to own a forest estate of its own. They should not be responsible **without consultation** for changes in the long-term nature of a nation's forest.

Why on earth does New Zealand now think privatisation necessary? One can only guess. Perhaps it is simply a wish to sell in order to make easy money; or perhaps it is because of a Treasury-oriented impetus against the philosophy of any form of state ownership. There may be other undisclosed reasons. The earlier sales were said to be made in order to reduce public debt. Is this so? And, if it has happened, how important is it? The public really does require much more information.

The suggestion has already been made by three former Directors General of Forests, Lindsay Poole, Mick O'Neil and myself, and is repeated here, that before a decision is made there ought to be a full-scale, totally independent, public enquiry into the pros

and cons of the sale. The enquiry should establish and publicise the many facts which are currently not available to the man in the street. It should answer *inter alia* the following questions:

What future surpluses over and above existing commitments are expected to be sold from the forests?

What are the existing commitments?

When will the surpluses occur and from what date will the sales be made?

What new processing industries have been started as a result of the 1990-91 sales, and what capital investment has been involved?

How do the results compare with the capital invested in forest industries in the decades prior to 1990?

What provisions have been made for a continuation of the vitally important log sales to Tasman? The public has never been told the detailed results of the long legal battles between Tasman and the Forestry Corporation.

To what extent is the enormous increase in the overseas log trade due to the 1991 sales rather than the higher log prices subsequently operating?

Will the terms of reference given to the bankers advising the Government on the sale be made public? If not, why not?

There will doubtless be other important questions that should be answered.

Until these questions have been asked and answered there should be no decision to sell Kaingaroa. There are very many people in New Zealand who believe that, even if satisfactory answers are forthcoming, Kaingaroa is still too valuable an asset to be sold. New Zealand has been praised the world over for its success in developing, managing and regenerating Kaingaroa. Let us not sell it unless a close, independent investigation shows without doubt that the merits of selling far outweigh the merits of retaining it in Crown ownership.

A.P. Thomson

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