

EDITORIAL COMMENT

The Logging Industry Research Association

After nearly 6 years, from formal conception at the Forestry Development Conference in February 1969 to its incorporation as a Research Association in December 1974, LIRA is now a reality. The early developmental stages moved slowly; from consideration of the FDC recommendation by the Production Forestry Research Advisory Committee and the New Zealand Loggers Association, through to the abortive attempts to obtain a suitable overseas consultant. It was November 1971 before proposals were made to the Minister of Forests to send G. J. Molloy to examine logging research in North America, U.K., and Scandinavia and to commission the Groome report.

The Groome report, released in late 1972, clearly demonstrated a need and a justification for logging research; with the word logging being used to encompass both log harvesting and extraction, and the transport of logs from forest to processing plant. The report stated clearly that New Zealand could not rely on overseas research findings to solve local problems. It saw the role of what it proposed to call the Logging Research Bureau as primarily a co-ordinating and extension one to existing agencies, under a policy set by its Board of Management; that is (in its own words), a clearing house for money and information. It proposed that in the first three years the Bureau be funded totally by Government, that financial input from industry be phased in between years 3 and 5, and that from the fifth year onward the cost be met essentially equally by Government and industry.

The Groome report did not give reasons for recommending the establishment of a new research organization rather than the expansion of an existing one. It merely said "The team is confident that the final written form (of the report) reflects the feelings and opinions of the industry in New Zealand . . .". From the time of the report, however, there has apparently been no further consideration of logging research being administered *other* than through a newly-constituted organisation.

By July 1973 the Minister of Science had supported in principle the establishment of a Logging Research Bureau, and

DSIR (which administers Government expenditure on Research Associations) met with representatives of N.Z. Forest Service, N.Z. Loggers Association, N.Z. Forest Owners Association and N.Z. Road Transport Association to examine details. The established practice for funding Research Associations in New Zealand requires industry to meet half the cost from the time of initiation of the Association; and the Groome proposals (with intent) did not meet this criterion. Nor were the interim committee sure that the Logging and Log Transport Research Association, as it was called for a short period, should in fact be restricted to commissioning, co-ordinating and distributing research results. Rather it was felt that the body should also itself be active in research.

Arising from a number of meetings of the Interim Committee, the industry revised its initial proposals (based on the Groome report) in both these matters; and LIRA arose in its present form. It is the 11th Research Association to be set up in New Zealand, and joins such diverse groups as the N.Z. Dairy Research Institute (52 scientific staff) and the Research Institute of Launderers, Drycleaners and Dyers (4 scientific staff).

Eight objects are listed for LIRA, the foremost being "to promote, supervise and conduct research and scientific work in connection with the logging industry and all matters concerned with and relating thereto". With the logging industry being defined as "the industry engaged in harvesting timber, felling, semi-processing and transporting it to ship side or to a place of further processing; including all ancillary services". The remaining seven objects of the Association are concerned with (*inter alia*) the establishment of a physical base and research facilities, its collaboration with others, the publication of its results, and its impartiality.

The Association will be financed jointly by Government and industry, with the Government contribution (other than that of the N.Z. Forest Service) channelled through DSIR. The industry portion will arise from subscriptions and levies based on members of the Association who may be persons, partnerships, corporate bodies or Government departments. For the first three years the industries' contribution (which includes amounts from N.Z. Forest Products Ltd, and N.Z. Forest Service) is based on an agreed breakdown between the contributors. Subsequently it will probably be determined by a levy system based on the amount of wood logged and/or transported. At first the budget is modest, but it must grow to some quarter of a million dollars in five years if a useful work programme is to be undertaken.

The affairs of the Association will be managed by a 15-member board consisting of 8 Government and ministerial appointees and 7 representatives of organisations connected with the timber industry. These organisations are N.Z. Sawmillers Federation Inc.; N.Z. (except Nelson and Westland) Timber Industry Employees Industrial Union of Workers; Forest Industries Engineering Association of N.Z. Inc.; N.Z. Loggers Association Inc.; N.Z. Road Transport Association Inc.; N.Z. Forest Owners Association Inc.; and N.Z. Institute of Foresters Inc (represented on the Board by A. W. Grayburn). An approach regarding membership has also been made to other bodies. Under Board policies the general management of the Association will be handled by a 7-member Executive made up from Board members representing specific bodies, and this Executive in turn has responsibility for appointing a Director to direct and supervise the work and staff of the Association. The foundation chairman of the Board is P. C. Crequer, and the first Director is J. J. K. Spiers, both of whom bring to LIRA a wealth of experience in the logging industry, overseas and in New Zealand. LIRA will be based in Rotorua and, apart from the Director, its early staff is likely to consist of 2 scientists, an information researcher, a librarian and secretarial staff.

As with all new organisations that have taken some time to arrive, the pressure on LIRA to perform will be high, especially during its early years. Industry, particularly when it is paying the bill, tends to expect far too much far too soon from research. This is illustrated by the size of the *initial* research programme suggested by the Board which consists of ten projects, some with several parts to them. While seven of these are defined as short-term, few of them appear amenable to the immediate production of results that industry seems to expect. It is essential that LIRA be given adequate time to become established and operational before being judged.

The formation of the Association at the time when environmental pressures are hitting the logger at their hardest will ensure one direction that research will take; and the importance of this is reflected in the presence on the Board of the Commissioner for the Environment. Clearly also from the constitution of the Board the transport side of logging operations will receive considerable attention. At least three 1975 FDC recommendations to LIRA concerning reduction of logging waste, full tree utilisation and improved log segregation ensure that the mundane will not be overlooked.

LIRA has been described as "the most effective way of meeting [the] need for applied, industry-oriented research in log-

ging, through the involvement of the private sector in the funding and formulation of the future research effort." It is a tribute to the will and ability to work together of Government and industry that LIRA not only exists, but starts so propitiously. Its work will be of importance to most aspects of our profession, and the Board, Director and staff will be universally wished much success in their challenging task.

Afforestation Targets, Farmers and the Wise Use of Rural Land

With the spread of N.Z. Forest Products Ltd's operations into North Auckland and the King Country, and the Forestry Development Conference recommending an annual new afforestation target of 55 000 ha, the farming community in many parts of New Zealand has become fearful. These fears are heightened by statements such as the following (from N.Z. Forest Products Ltd. Environmental Impact Report "Re-afforestation Proposals in the King Country"): ". . . studies . . . within the area show that forestry and pastoral farming on these lands are equivalent in economic terms". They reach a paranoic level when forestry planners describe land carrying 10 stock units per hectare as marginal (and thus suited for afforestation) when almost one-third of all New Zealand farms fall into this category — see paper by Dryden Spring in this issue.

It is not surprising, then, that Duncan MacIntyre in his address to the Institute's A.G.M. felt able to say "Many farmers would see the implications of exotic production forestry on agriculture in the same way that they view the spread of blackberry, gorse, rabbits or the army worm — to be resisted but costing them money to do so."

A large part of farming paranoia, of course, concerns the traditional fear of any vegetation taller than grass encroaching on to good farming land. In times of high fertiliser cost and low farm incomes the farmer can expect to lose control of his marginal land, but hopefully in time will regain it. At present, however, it is *good* farming land which is being threatened, and in a manner which he believes to be, if not irreversible, then certainly less readily combatted than gorse or manuka. If the forester is an endangered species, as claimed by S. D. Richardson in an article in this issue, then the farmer has not yet discovered the fact. Rather he sees profit-motivated individuals employed by well-financed organisations against which he cannot possibly compete.

The farmer believes that the purchase of agricultural land for forestry purposes, will also have profound social conse-

quences. To quote Duncan MacIntyre again, ". . . it has been shown that by turning farms into forests the social structure of the district changed: schools, clubs, employment are all run down. Forestry tends to pay higher wages, and by and large works to more regular hours, thus drawing away contractors and casual labourers. In some cases also, it is shown that farm-based secondary industries are disadvantaged by a reduction in supplies and increased transport costs." And Dryden Spring (*ibid.*) points out the effects that reduction of farm land in a district has on the ability of processing plants such as freezing works and dairy factories to maintain full production.

It is ironic that, just as the farming community is reaching its peak concern over the likely incursions of exotic forestry, the exotic forester has just come to a realisation of what co-operation with the farming community has to offer him. In the report of the Working Party on Afforestation presented to the May session of the Forestry Development Conference, a survey of farmers was cited which showed some 750 000 ha of land suitable for exotic forestry on occupied farms. This area is made up of land either unproductive at present or considered to be better suited to forestry. The Working Party pointed out the attractiveness of this type of land for forest development because capital is not required for land purchase; and as the capital invested is primarily equity capital no large tax-deductible interest debt is incurred. Additionally, of course, such social services as roads, schools, hospitals, etc., already exist in the areas involved.

The Afforestation Working Party recommended a number of measures to encourage landowners to diversify to forestry to encourage the use of some of this land. Most of these measures primarily affect farmers but there are two issues which do concern foresters. First, it is probable that the extent to which farmers choose to diversify will depend as much on the image they have of forestry as on the size of the economic incentives to do so; and, secondly, the existence of plantations in other than the large compact blocks of the type foresters are used to dealing with may well strain our professional expertise.

Papers presented at the Annual General Meeting made it clear — if we didn't know it already — that the forester's image with the farming profession (as generally with the public at large) is bad. One unpaid public relations group that we do have, however, are the Farm Forestry Associations. As farmers, knowledgeable of forestry and foresters, they clearly have a great deal of experience to contribute to future small growers. Being in the relatively early stages of their develop-

ment they are evangelical and their message thus carries a considerable degree of fervour. Their importance to the forestry sector has been shown by the contribution their representatives made on FDC working parties. If (as they hope) they can effectively act as intermediaries between forester and farmer in promoting the planting in trees of a high proportion of the suitable land on occupied farms, then they will certainly have earned a place in the history of exotic forestry in New Zealand.

However, it is also necessary that we as a profession explain ourselves *directly* to farmers. The traditional means for the Government to provide information to a user-group is through extension services, and thus a further recommendation from the FDC working party on afforestation "that the provision of extension services in forestry be reviewed urgently with a view to improving, extending and upgrading them" will be widely supported. The Forest Service at present employs only eighteen staff on extension work, and supports them with a budget which is only 2½% of the net general administration account. As management alternatives for small-scale forestry become more complex, and the number of owners participating increases, the demands on the Government for extension services must increase markedly.

One of the biggest information requirements to encourage planting on already developed farms is to spell out likely marketing situations and profitability levels one rotation hence, and under alternative management regimes, *for the small owner*. At present a number of farmers with a knowledge of current royalties query the profitability of growing timber (as distinct from both growing it and processing it) for the *large grower*. They are even less certain that as a small grower they will be able to sell their wood at anything approaching a realistic price 30 years hence in a year when 35 million cubic metres roundwood equivalent will be available for sale, mostly grown by companies who are also processors, and with a total New Zealand demand of only 10 million cubic metres.

One answer to the selling problem that comes naturally to farmers is the formation of co-operatives; and the recommendation of the FDC working party on afforestation "that the Government take positive measures to encourage the development of owner co-operatives and/or management groups" will be well received.

Clearly it is difficult for the forestry sector to encourage a farmer to plant up parts of his land, while at the same time posing a threat to take his entire farm for tree planting, destroying the farming nature of the district and with it the

way of life that he knows. There is thus a clear need for farmers to be made aware of future plans for major exotic forestry expansion in New Zealand, both nationally and regionally. The Forestry Development Conference has made broad national and regional proposals in terms of total areas, but the specifics of the land which goes into exotic production forestry will depend in large part on Government policy decisions. In 1972 the Government set up the Land Use Advisory Council to advise on the criteria on which sound decisions should be based for the use of rural land. The Chairman of the Council in his paper in this issue indicates some of his Council's thinking, and it is clear that at the very least the future acquisition of large areas of farming land for forestry will be looked at rather critically by Government. At the same time Mr Coad makes it clear that he regards the extension of exotic forestry as a legitimate land use; and thus until the Council offer firm guidelines to Government the farmer will still be under threat; and forestry planning will be in a state of uncertainty. There is a strong need for early decision-making in this area.

If fears of large-scale takeover are in future removed from the farmer, and if the relevant FDC recommendations are accepted, the door will be increasingly opened to the planting up of the available small, scattered areas of existing developed farms. This will put new pressures on the management capabilities of foresters. We should not be too concerned by these: foresters in other countries routinely manage small, scattered areas intensively; and on any count the process must be far easier technically than the other problem we currently have, of managing our indigenous forests on a sustained basis!

West Coast Beech Proposals — The Last Word?

Ministerial statements are rarely timed to catch the next issue of the *N.Z. Journal of Forestry*. Thus the statement of the Minister of Forests — that examination of the West Coast beech proposals had been deferred, pending an investigation into combining parts of the resource from there with those from Nelson and Marlborough to build one pulp mill in the north of the South Island — is by now old news. So, too, is the subsequent announcement by the Prime Minister concerning a further alternative investigation. Nevertheless, when old news is good news some editorial comment is warranted.

A few weeks before the Minister's announcement, a director of a firm which, as part of a consortium, had put in a proposal to establish a kraft mill on the West Coast was reported in the Nelson press as saying "the authors of the scheme

... [have] extensive knowledge of forest management in New Zealand. Surely these people are not villains who will wreck our national heritage, as some would believe".

Many of "these people" are members of the N.Z. Institute of Foresters which, as a body, had generally been unhappy about a number of aspects of the maximum West Coast scheme, since a first examination of it in 1972 (*N.Z. JI For.*, 17: 112-26). The doubts had increased rather than decreased with events over the succeeding three years. And in 1975 the Institute's Beech Subcommittee stated its doubts on the economic, logistic, environmental and social aspects of the scheme, in a report which was in draft form at the time of the Minister's decision. (In its final form it is printed on p. 210 of this issue.)

A real concern to many members of the Institute was that, despite the changes in circumstances between the initial conception of the scheme and the presentation of proposals, and despite contrary statements in the Invitation, it would not be politically possible for the Government to decline to accept a proposal. The Minister's decision to defer evaluation of the proposals showed clearly that the Government and its advisers are *well* capable of accepting changing circumstances, and that "these people" indeed are not villains. The decision showed a level of sanity and statemanship which the conservation movement generally received with far less warmth than might have been expected. The Institute must be much more forthcoming in its congratulations and at the same time reiterate the hope, expressed clearly in its 1975 report, that any West Coast proposals for a maximum volume scheme are now dead — and unresurrectable.

Forestry Development and Social Returns

Foresters have for long been conscious of the social implications of the practice of their profession, and they are becoming more so. This is right and proper, even if the comment by the N.Z. Forest Service Director of Forest Management at the Institute's recent A.G.M. that "after all forestry is really just a social activity" might stir horror in the boardrooms of some New Zealand companies.

But at the A.G.M. there was clearly a school of thought which believed that whenever forestry *could* provide some social benefit in an area of social need there was a consequent obligation on it to do so. Much of the discussion on this subject occurred with respect to the following two sentences from a draft report by the Institute's Beech Subcommittee:

1. "This Institute is still of the opinion that there are sound social reasons for further developing forest

industries on the West Coast, even though investment in forestry may be more profitable elsewhere in New Zealand."

2. "Injecting new life into the existing forest industry on the West Coast is socially preferable to introducing completely new industries with the same intention of restoring a decadent economy."

It is of interest to examine these two sentences in terms of stated Government policy and practice.

In the first sentence the Institute ventures an opinion on a social as well as an economic issue. The question of whether the Institute should advocate schemes for social reasons was raised by some, and the practice stoutly defended by others. In terms of Government land-use policies, however, it would appear a valid thing for the Institute to do. In July 1974 the Cabinet Committee on Policies and Priorities laid down a set of economic and social objectives of which one read as follows: "To foster an appropriate level of development in regional areas with a rate of growth substantially below the national average, especially where this (low rate of growth) results in adverse social and economic effects." Thus in terms of a stated Government objective any proposal such as that for forestry development on the West Coast must be looked at in other than straight economic terms. This fact is of course well recognized by the N.Z. Forest Service which in 1972 stated: "The criterion that should be used to justify new planting and forest development at both a national and regional level is social net return. It is basically a cost-benefit analysis approach with adjustments for social and economic considerations not reflected in a conventional discounted cash return calculation."

To return to the first sentence in the draft report. Regional forestry development planning seeks to evaluate the social net return to a region from forestry. Such planning has not yet formally been done for the West Coast, and thus at present it is not possible to compare social net returns from the West Coast with those from other regions. Until such cost-benefit analyses have been done one can only venture an opinion — which is what the draft report did. Perhaps, though, it would have been better simply to point out that forestry can offer social benefits to the West Coast. Clearly it can also involve social costs, and whether the social net return for any given scheme is positive or negative is, of course, what much of the argument concerning the maximum volume scheme is about.

The second sentence from the draft report is more difficult to justify than the first. The intent of forestry planning is that, at the national and regional level, criteria for afforestation should justify the allocation of funds to forestry *rather than to some other investment activity*. Not only have no cost-benefit analyses for forestry been carried out on the West Coast, but certainly there has been no formal comparison published of forestry development with other forms of development such as farming, manufacturing or tourism in terms of either social or economic benefits. Thus it is difficult to justify a statement such as the second one, which contrasts the social implications of different forms of economic development.

In its policies the Government requires optimal social net returns from new developments, both regionally and nationally; and the fact that forestry *can* provide social benefits for a region should in itself be no reason to promote forestry development. Such development is acceptable only (a) if the benefits from forestry outweigh the costs, and (b) if the social net return from forestry is better than that from possible developments in other sectors. It is regrettable that at present there are few areas in New Zealand for which information is available to establish these comparisons.

The Member and the Journal

This issue contains an article, differing in content from the norm, under the heading Member's Comment. It examines the implications of the "Forest Operations Guideline" to be applied experimentally by catchment authorities over the next two years.

Comment such as this has previously been the prerogative of the Editor, but in future it is proposed both to solicit, and to accept unsolicited comment from members in this vein. Articles submitted for publication as Members' Comment should examine or comment on topical issues relevant to either the forestry profession in New Zealand, or the N.Z. Institute of Foresters.