

Why Forests?¹

T. McEvoy²

IN attempting to answer the question "why forests?" I will forego the reams of figures, encouraging though they may be to a forester, in the various FAO reports on world and European timber trends and prospects. Nor will I go into a deep analysis of the economic studies which have become so much a feature of our times and which tend to show that no sane economic being would invest a penny in forests when, apparently, a comfortable 10 per cent compound interest or better can be obtained from activities quite unrelated to land use and when therefore a 10 per cent discount rate in real terms is prescribed for this long term investment. I will only comment that recent events, especially the fuel situation, have raised serious doubts about such prescriptions. Only yesterday I noted an investment consultant rated farms and forests before stocks and shares for 1974.

In any case one should not be over-awed by the predictions of economists. The economist, like any other expert, is dependent on the facts or figures which he uses as a basis for his calculations and his conclusions are no better than his initial assumptions. And in this field of exceptionally long term investment, still 50 to 100 years, there is no shortage of initial assumptions, especially in these kaleidoscopic times. In the colloquial expression "you pays your money and you takes your pick". Mention of the economist reminds me of the story of the botanist and the ornithologist who decided to go on a walk together. One never looked up, the other never looked down. Consequently they came home with two very different sets of impressions from the same walk. The lesson is "Beware of specialist experts". The forester must look up and down, look forwards and backwards in time, listen to the experts but draw his own conclusions in the light of the long term, secular trends.

May I remind you that this question "Why Forests?" is one concerning the function, the continuing function, of a vegetation type which covers nearly one-third of the land surface of this globe. As such it is too broad, too bound up with the future of the human race, to be assessed in purely economic terms. I need not remind you that considerations of climate, soil erosion and degradation, desert formation, water supply, indeed of the whole environment of human life are at stake. But I will confine myself in the main to the forest as a source of raw material, of wood—an aspect which in

1. Text of address to the International Forestry Student Symposium, University College, Dublin. 2nd-5th January 1974.

2. Chief Inspector, Forest and Wildlife Service, Dublin.

recent times has tended to be pushed rather into the background in the densely populated industrial countries where the emphasis has been on the environmental contribution of the forest.

It must be admitted that the last decade or so has been a time of questioning by economists and others and of self-questioning by foresters as regards the forest as a producer of wood. Continental European forests in particular had been going through an economic crisis as returns to the grower dwindled and the value of the forest output, set against the vastly increased output of industry, seemed to fade into insignificance. Foresters do not need to be reminded of the theory that the price of the cubic metre of standing timber is a residual price, what in fact the finished wood product will sell for, less all the intermediate costs of felling, extraction, transport, manufacture and retailing. In a period when all these intermediate costs were increasing rapidly and when there was still little evidence of wood shortage, despite increasing consumption, standing values were static or in real terms even falling in many countries.

When at last prices for standing timber and its products did begin to rise steeply in the last year or so something like panic hit the market and the frantic search for substitutes began. Now the price of oil and fuel is going to add substantially to the cost of these substitutes, aluminum, steel, cement, plastics—all require fuel in quantity. In my view wood prices are only now making up ground lost since World War II and we may now, perhaps, hope that the prices may settle down (or up!) at a realistic level in relation to potential substitutes, a level which will at the same time give a more equitable return to the grower and enable forests to be rationalised and expanded as a profitable business.

We must look at the recent history of wood prices in global terms. In my view we have reached the end of an era in which the terms of trade were very much against the primary producers and in favour of the manufacturers in sophisticated industrial economies. A new balance is now emerging which may be painful in its effects in the industrial regions but which may ultimately lead to a better world. A fairer price for its primary products means far more to a developing country or region than the various forms of aid or charity which the developed countries offered in the past. Even the recent sharp increase in the price of crude oil may eventually be justified if the income it generates is wisely used and appropriately dispersed among developing populations. The conclusion I draw is that the outlook for the grower of wood, whether he be in remote Africa or in Connemara, is favourable—as it is also for farmers and miners, not to mention oil sheiks. Incidentally, it is interesting to note the change of emphasis in the themes of recent World Forestry

Congresses. In Madrid in 1966 the theme was purely economic, but in Buenos Aires in 1972 it was "Forests and socio-economic development", with emphasis on the social factors and social justice towards the primary producers.

This is not to say that the forest owner can be complacent and expect good profits without every effort to make his enterprise more efficient within the biological and environmental constraints which are inherent in his business. It is, I think, fair to say that forestry, especially in those countries of Continental Europe where classical forms of silviculture were developed, has clung to its traditional methods involving intensive use of manual labour and silvicultural skills. And of course tropical forestry still relies on the lavish use of manual labour. The lesson must be learned from industry that mechanisation is essential to multiply the output per man and to justify high wages without pricing the commodity out of its market. The forester's skill in the future will be in developing silvicultural techniques which bring in the economies of mechanisation without upsetting the biological balances on which the health of the forest depends.

It may well be asked how one can be so confident of the utility and value of forests so far into the future when all around one sees the death of old trades and old industries and the desperate efforts of existing industrial corporations to diversify and thus to insulate themselves against market changes. The answer, to my mind, is that the forest has an inbuilt diversification potential. Wood is a primary, adaptable, flexible raw material. The industry which carries the highest risk of overnight obsolescence is that with a highly specialised product catering for an artificial market created by fashion and sustained by advertising. The forester depends on the ingenuity of the inventor and manufacturer to find increasingly diverse uses for his raw material. So despite economies in the use of wood, say, in house building, far more wood is now used than before World War II in the European and world economies. We must not fight against rational economies in the traditional uses of wood. Improvements such as stress grading, lamination, jointing, preservative treatments make wood more competitive and ultimately are of benefit to the grower. Aggressive development of new products and markets is more important than the defence of traditional uses. This is, perhaps, the chink in the forester's armour. The growers of wood are so dispersed and unorganised that there may not be the same incentives for product development and marketing as in the case of a manufacturer with a near-monopoly in raw material or patent-protected processes.

There is one other distinguishing feature of the forest which must

be mentioned. Whereas coal, oil, natural gas, minerals are all wasting assets which are being very rapidly depleted since the Industrial Revolution led to the affluent and wasteful—effluent—society, the forest is the great renewable, non-polluting natural resource. It seems to be merely elementary good housekeeping on a world scale to conserve and manage such a resource and it seems inevitable that the economics of the forest will improve as competing raw materials become more scarce, more inaccessible and more expensive.

So far I have spoken in rather general terms. You may well ask how does one apply these generalities to these two islands. I think the broad arguments based on world trends are fully applicable. As the balance between primary and industrial products adjusts itself, a more intensive use of our land resources becomes justified in which the physical production of the forest, as well as its environmental contribution, will be more fully recognised. Admittedly since our accession to the EEC the pressure for land reclamation on marginal lands has increased and has affected the availability of land for afforestation. It will take several years before we can discern clearly how agricultural prices will fare in real terms in the EEC and how these will be affected by schemes for the rationalisation of farms and for regional subsidies to underdeveloped areas. In the long term I believe there can be a sensible allocation of land as between forestry and agriculture which will recognise Europe's need both for wood and food—an allocation which will allow a substantial increase in our present forest areas.

Our forests are capable of extremely high rates of production of the most versatile form of wood—conifers. We live in a world which faces a shortage of wood and we are part of a European community which can supply only half its current needs and with its wood deficit increasing steadily. There is every reason to be optimistic about the future of our forests.

May I conclude by quoting a remark made by Professor Clear³ some years ago. Forestry, he said, was always seen to be justified when the crop matured but seldom for the precise reasons advocated by its planters. That statement seems to me to combine aptly the faith and the humility which are essential ingredients in the make-up of a good forester and it is also pertinent to the answer to your question "Why Forests?"

3. Professor of Forestry, University College, Dublin.