



## Structure of the Forest Service and its economic performance

Sir,

Peter Grant on P.3 of the May 1987 issue of the NZ Forestry scoffs at technical forecasts I helped prepare for the 1981 Forestry Conference. He says that the 1983-84 net revenues from growing and harvesting NZ forests was \$614 million less than Carol Gilchrist and I predicted.

In saying this he has overlooked the fact that on P.6 of our 1981 paper we clearly state: "The (high) values allocated are shadow stumpages, i.e. they are those that might be obtained if the yield was exported as logs".

Being surprised about a large difference between forecasted shadow export net revenues and actual net domestic revenues in the Muldoon era is like being astonished that bananas and lemon trees turn out to have different fruit.

Readers may also be interested to know that Carol and I prepared our paper at the request of the afforestation working party of the 1981 Forestry Conference. The paper was widely disseminated only after that working party had checked and approved it.

I wonder if Peter Grant realizes that by ridiculing the Levack and Gilchrist report he is casting aspersions at his own esteemed director, Guy Salmon, who was the NFAC representative on that working party.

**Hamish Levack,**  
Wellington

## Sutton article on NZFS contribution

Sir,

In the typesetting of my article, part of one sentence was deleted. As a result the sentence's meaning and emphasis was changed.

The second sentence of the second to last paragraph reads "unlike today's philosophy...". My original statement read "unlike today's conservation movement which has very much a 'don't touch' philosophy...". The deletion of these qualifying words has changed the meaning of the rest of the sentence to imply that the present Forest Service did not have the same conservation concerns as the Department had in earlier times.

That obviously was never my intention.

**W.R.J. Sutton**  
Rotorua

(We apologise for the omission. Ed.)

## 'Exotic plantation forestry rubbished'

Sir,

Imagine a conservation movement that is against planting trees! In the May issue, Peter Grant of NFAC gives us a stunning display of numerical gymnastics. His effect is to rubbish exotic plantation forestry in New Zealand, as exemplified by the Forest Service.

As a spokesman for NFAC, Dr Grant should be deeply concerned about the global loss of forested land. He should be troubled by the death of northern hemisphere forests by acid rain. Of all people, he should believe that future timber supplies will be scarce. In addition to the world's shrinking resource, an increasing area is being zoned for preservation — thanks to the good work of NFAC and kindred groups!

As an economist, Dr Grant must realize that when a commodity becomes scarce its price rises. The effect of this is twofold. First, there will be an increasing pressure on unprotected indigenous forests. Secondly, the high timber price will make plantation forestry very profitable. Dr Grant uses current costs and current prices. He has the mentality of an accountant, not a conservationist.

This country is ruled by accountants. Entombed in their citadels of concrete and steel, they know little of mountain streams, whose purity is enhanced by a forested catchment. In their metropolitan smog, they don't give a damn about the steady and dangerous increase in global carbon dioxide levels, and how forestry is one possible solution. Not a moment's thought is spared for the inhabitants of ghost towns, whose roots were the roots of trees. It doesn't occur to them that cheap timber means cheap housing and a nation proud of their own homes. The accountants use high discount rates to express their short-term thinking, their myopic world-view. Chase the fast buck, and to hell with the future!

Who, in this country, has the ability to stand up to these mechanical men? Who has the guts to face these dollar-obsessed monsters who care nothing for the health of the land or the society that spawned them? Obviously, not NFAC. NFAC are the errand-boys for Treasury.

Anyone who plants a tree — any sort of tree — will one day be regarded as a hero by future conservationists. Anyone who lobbies hard to discourage tree-planting (for example, by District Schemes or unfair tax laws) will be seen as a rogue. Dr Grant should examine his conscience to discover if his continuing attacks on the Forest Service are motivated by conservationist ideology or merely by a desire for personal vengeance.

**Piers Maclaren,**  
Rotorua

## More market forestry

Sir,

The attempts to apply "more market" to forestry is nonsense. It may apply to marketing products from forests already in production, but that is not always the case either, because there is no such thing as an 'instant' wood-using industry.

There was a famous case in Britain in 1947, when an economist conclusively proved that optimum returns from Scots pine forests were obtained by extracting poles between the ages of 40 and 45 years. If foresters had heeded that advice the market would have been swamped with poles and the price would have plummeted. In any case, a year later high-specification poles were imported from Scandinavia in sufficient quantities to satisfy the market and the demand for home-grown poles was reduced to nil.

For forestry, the market lies well in the future — sometime 150 years ahead in the Northern Hemisphere. The path of the future is set about with totally unknown technologies, and the money-commodity market is so vast, and has so little to do with the market for goods, that the relationship of current money values, fluctuating as they do from hour to hour, to the value of forest products is totally unpredictable. In any case, the one thing honest economists agree upon is that their theories are worthless for prediction. In scientific terms this means they are worthless — period.

If one wanted to follow a more market philosophy (if it deserves such a name) one would amortize the wood-using industries while cutting the forests out by the time the plant reached a zero value.

Forestry has to be based on a different criterion — that is, an intelligent evaluation of the needs of people in the future. It is thus an act of faith. Fortunately for posterity, foresters have that faith.

**C.G.R. Chavasse,**  
Rotorua

## 'Unprofessional' cover photograph

Sir,

One concern expressed by the NZIF recently is the low public esteem of forestry as a profession compared to professions such as law and accountancy. Imagine my dismay when I received the February 1987 issue of New Zealand Forestry. The cover photograph initially led me to believe I was holding a copy of the PSA journal rather than the latest NZIF journal. A cover photograph such as this does nothing to dispel the public's misconception that the forestry profession is not comparable to