billion/annum ($NZ130 to $193 million).

- Direct financial benefits to local community through stumpage share and/or local taxation.
- Soil erosion in the important Tagaloan catchment will be dramatically reduced.

Two major risks threaten this and any other industrial tree plantations in the Philippines. The first is ancestral land claims or uncontrolled occupancy of the land by landless people who are seeking a place to reside or a place to till land for subsistence cropping.

The other major risk is fire. Farmers inside and bordering the project land and itinerant travellers constantly light grass fires that threaten any reforestation effort. The project is addressing this through information dissemination, education programmes, early fire detection and quick response and by proposing legislation dealing with rural fires. After four years of operation many hundreds of fires have been extinguished, but less than 2% of the new plantings have been lost.

The Philippine authorities are aware of these constraints and are seeking to address them to encourage private sector investment in plantation forestry in the Philippines.

BFI has gained a high national profile in the forestry and land management sector in the Philippines. This is especially pleasing given that the project commenced only in 1989. BFI gets regular visits from politicians, DENR officials, technicians, school groups, religious and community groups, foresters and other government agencies. We are dealing with 20 to 100 visitors per month.

Project success to date can be largely attributed to the high level of community education and involvement, community support programmes, excellent support from the senior management of the Department of Environment and Natural Resources (Manila) and consistent teamwork and mutual support between MERT (Wellington), the NZ Embassy (Manila), Forenco (Rotorua) and the New Zealand staff in Bukidnon.

The high profile of BFI has raised awareness of New Zealand and New Zealand's forestry expertise in the Philippines. Given the enormous funding now being earmarked for environmentally sound land development, and tropical reforestation in particular, this exposure is likely to open further opportunities for New Zealand foresters to apply their NZ experience in the tropical countries of S.E. Asia.

INSTITUTE NEWS

President's comments

Proseed

The ability of the forest industry to respond to the Minister's desire to increase the planting rate has to be based, at present, on secure sources of seed. The demand from radiata seed of high GF ratings has outstripped the supply, particularly as the 1993 availability reflected difficult pollination conditions and partial failure of 1989 pollens. The reaction of the nurserymen to a sudden introduction of a tender system for the small volume of GF 25+ available is examined by Rob van Rossen in his letter to the Editor. There is still adequate GF14, 16 and 17 supplies for those prepared to place orders well ahead of the secure order for treestock. This is small comfort for nurserymen previously burnt by last-minute cancellations and no monetary guarantee from would-be forest planters.

In this context the interest in the future of Proseed and the continued intention of the NZ Forestry Corporation to offer it for sale is understandable. The NZ Forest Owners' Association has, in the event of sale, supported in principle the purchase by a group of forest owners who together with FRI make up the Radiata Pine Breeding Cooperative. Such a group could provide for most interested parties to participate (if they could provide their capital share) and avoid some monopoly position, invidious in the eyes of smaller owners and nurserymen.

A steering committee recently met in Rotorua to prepare a proposal for participation in a bid to Government along these lines and this will be given more publicity as details are clarified.

Forest Accord

With the recent passage of the Forests Amendment Bill into law, the protection of indigenous forest from pressure to convert it to exotic plantation has taken a new perspective. The voluntary commitment by the signatories to the Forest Accord to retain the present area of indigenous forest was a move, by those forest companies with land which could be converted to exotic forest, to stabilise the indigenous area in their land holdings at its present extent. This suits the major forest owners who secured support overseas for plantation forests from the conservation groups. They are anxious to protect rain forest from further cutting and wished to restrict trade in forest produce, particularly that derived from tropical rain forest.

It did not include landowners of Maori or General land who were considering de novo exotic forest establishment and were not included in the negotiations leading up to the Accord.

Much of the hill country in farms is reverting to scrub and secondary forest as pastoral farming goes through another cyclical downturn. The option of planting to exotic forest could be removed from landowners if the reversion process includes kanuka and tree species covered by the Accord. Forest companies offered such land for sale or joint venture, may refuse and choose to honour the Accord in strict conformity with the conservation groups' views on Accord definitions. The propriety of the Institute being bound by such constraints has to be questioned when alternative land rent or compensation is not offered.

Independent landowners not party to the Accord should have an unfettered opportunity to express a responsible attitude on matters addressed in the Accord when preparing to start a new forest. They should not suffer from removal of their right to an investment return without compensation. If it is a public benefit to retain reverting farmland in indigenous species, then this should be recognised. The thrust of the new Forests Amendment Act complicates the issue and encourages the owner of reverted land to fell scrub and convert it to exotic forest.

I consider that the benefits of the Accord are being jeopardised by the implementation of definitions in an overly legal and academic manner. If the new forest owner's heart is in the right place, moral encouragement to conserve indigenous forest should be the driving force.

Foresters and Sawmillers

The proposal that there be a formal legal framework to require forest owners to market logs and other forest produce for some non-market priority, perceived by central government to be in the public interest, appears to be directly against the philosophies that are emerging in many partially regulated economies. Apart from the changes occurring in Eastern Europe and Russia, there is in both Scandinavia and USA an increasing tide of concern that many of the demands of the conservation and like organisations are unacceptable burdens on the public purse and in many cases these are seen as either ill-conceived, or not necessary. The evidence of mis-use of resources is sometimes inadequate or even contradictory and Governments are uncomfortable with the costs of regulatory policies when benefits are not proven by reasonably precise data.

It is now 90 years since Sweden enacted silvicultural legislation requiring compulsory restocking of forests after clearfelling. Subsequent additional legislation laid down relatively inelastic rules regarding age of felling, coupe size, thinning and species selection. Now the Swedish Parliament sees this as outmoded and would not require control of felling age, size of coupe, thinning at prescribed stages in forest development. Of most significance they would remove the subsidies for silviculture and other forest work. There would still remain, however, a concern for environmental and biodiversity issues as well as a commitment to restocking felled forest.

This concern and ability of industry to accept governmental direction on forest management in this respect is an aspect of the richer G7 economies of West Europe, Japan and, to a lesser extent and more recently, USA and Canada. Market forces alone are seen as inadequate to achieve social goals which benefit the whole community. However, many of these rich states have until now been able to afford to buy wood from the rest of the world and avoid or reduce the cost to the community of high wood cost from domestic forest production. Japan, with 12.3 million hectares of planted forest, has sought to put off the day of dependence on high cost domestic wood. This day is now getting closer and the Japanese wood-dependent industry knows it is impractical to maintain practices that depend on low wood cost for survival. We will see prices of logs processed in Japan rise to the level dictated by the real cost of Japan's domestic log production. Similarly, in USA and Canada, silvicultural neglect of the second generation of forests will require wood for industrial use to reflect higher cost of delivered wood to plants.

Peter Olsen

New Zealand must accept this wood price rise principle but not at the behest of untrammelled market forces. Foresters can and should take a longer view of the selling of wood in a manner which allows the domestic wood converter to adapt to greater technological awareness while seeking out more lucrative market niches. We should have sufficient faith in the success of this process to ensure stable wood supply is available. Abuse of this trust by industry, as has happened with indigenous milling, will result in removal of supply and enterprises would collapse with loss to both the forest owner and the larger community.

The recent seminar in Wellington organised by the Commonwealth Forestry Association and NZIF gave this issue some airing. It reinforced the perception that foresters do accept the responsibility of maintaining sustainable felling at the level that benefits the long-run interests of company shareholders. They of course will be required to accept the dictates of company management who run the risk of political intervention if the long-run public benefit is ignored.

P.F. Olsen
President

Recent changes and developments in government science system and implications for forestry science

Introduction

Two 1992 developments in the government-funded science system will have substantial influence on forestry and forest products research. In October 1992 the Government announced its science priorities for the $232 million Public Good Science Fund (PGSF). This fund supports more than 60% of the total effort in forestry and forest products research in New Zealand. Two months later the Government announced a transfer of resources and functions from the Ministry of Research, Science and Technology (MORST) to the Foundation for Research, Science and Technology (FRST). The details of these developments and their implications for forestry and forest products research are summarised.

Science Priorities for the PGSF

A comprehensive priority-setting process for the PGSF initiated in January 1992, culminated in the release of a Government paper outlining the science priorities for the PGSF entitled "Investing in science for our future". The paper indicated that, among the funding decisions made for the period 1992/93 to 1997/98, the PGSF funds available for supporting research in Output 9 (Plantation forestry) and Output 15 (Wood and paper processing) would increase from $17 million in 92/93 to $19.7 million in 97/98. The paper also indicated that funding would decrease for plantation forestry research by 10% ($10.2 million in 92/93 to $9.2 million in 97/98) but in wood and paper processing research, funding would rise by 56% ($6.7 million in 92/93 to $10.5 million in 97/98). These funding shifts reflected the Government's strong support for research that relates to adding value and a general shift in support away from primary production research into secondary production and processing. Funding for research on the ecological and environmental aspects of forestry associated with Outputs 29 (Environmental protection) and Output 31 (Land use, flora and fauna) will probably not change very much over the five years to 97/98 although this is difficult to judge because these outputs cover a wide range of ecological and environmental areas only some of which relate to forestry.