

a forest for 25-30 years contrasts strikingly with superannuation schemes subject to annual taxation. An estimated return of about 8% over and above the rate of inflation, compounded free of taxation (until the end), is not to be passed over lightly. If New Zealanders turn xenophobic preventing others owning land, then we encourage those inefficiencies that were seen in the Soviet Union. Paradoxically, long-term investment in forestry by overseas investors suits a country like New Zealand which is short of capital. Our own limited savings should be recycling more rapidly through the economy in immediately productive investments. Actually physical assets like forests are highly visible and so easy to tax; whereas many value-adding operations are free to vanish offshore to a low tax jurisdiction – as “virtual” distribution corporations located in many places concurrently.

Sadly, the historic record of the forest products sector is poor. The one notable success has been the medium density fibreboard (MDF) industry which was established by outsiders, a group of entrepreneurs under Dr Owen Haylock. They built one of the first MDF plants in the world at Sefton, Canterbury in 1975. The venture was high-risk: the banks sought to

close the mill before start-up unless the company pre-sold a significant proportion of its production. MDF processing has been singularly innovative and has been adopted enthusiastically by the mainstream players of the forest sector. However, the contrast with the large corporates couldn't be starker. The late 70s through to the late 80s saw the building of a plywood mill (NZFP), a resin-from-bark tannaphen plant (NZFP), a West Coast plywood venture, Karioi RMP mill (Winstone), RADA (NZFP) and a triboard mill (Northern Pulp), none of which was profitable to the original investors. Even Fletchers, which to its credit did not play in the Bear Pit of 1987, has shown the difficulties in anticipating the market correctly, especially in its North American paper operations. In this broader context the risks to the forest grower appear less severe, and they showed considerable foresight in investing in Latin America in the mid-1980s.

In the past some of the greatest fortunes were amassed by identifying a need and using technology to meet that need. Today the emphasis is reversed. The game is to create new needs from technologies that are still to be developed. New products will generate their own demand

because they will change the way people behave. Necessities will emerge that haven't been dreamed of as increasing affluence erases the distinction between luxuries and necessities: the automobile, telephone, TV and air travel were once luxuries. Much will change in 30 years. Even if the paperless office never materialises, it may be possible to synthesise paper fibres from a genetically modified soup without recourse to anything so beautiful and primitive as a tree. That is the kind of risk the forest grower faces – of unknown processes, products and markets 30 years hence.

Although the future lies in intellectual property rather than in resource-based products, that does not preclude profitable investment in less technologically exciting industries. However, it is important to recognise that one takes a position whether one cares to or not: so there is the need to capture the broad view and to take cognisance of changes in society at large. If that is all too much, it is time to plant another tree. Indeed, I've almost persuaded myself!

**John Walker,
School of Forestry,
University of Canterbury**



A potential threat to nursery health

Sir,

Tree health and nursery hygiene are never far from the nursery growers' minds when managing their crops. In recent years some forest nursery growers have become increasingly concerned at a potential threat to nursery health, with implication for the whole forest industry. The risk is created when empty tree cartons are returned to a nursery from the planting site containing soil from another nursery. The problem arises when the large consulting companies and tree buyers who like to reuse their cartons also draw trees from more than one nursery. One carton found this season had been used 14 times, through four different nurseries.

As well as the obvious impact for the nurseries concerned, the implications for the entire industry could be serious. A new pathogen entering the country could be quickly distributed nationwide before it was even detected. Even an existing organism which is harmless in one nursery environment could conceivably run

rampant when introduced to a new environment.

In bygone days nursery hygiene was an important priority with strict quarantine at entry points common. In recent years a comprehensive range of agrochemicals have controlled most of the major pests in forest nurseries and attitudes have relaxed. The 1992 Australia Nursery Tour, attended by most of our members, served as a timely warning that we were perhaps getting too complacent. The sight of a nursery rendered almost unproductive by soil nematodes was a sobering experience.

Tree stock buyers should be looking seriously at their tree-handling policies to avoid these potential cross-infections between their supplying nurseries. The best solution is for purchasers to look at managing their cartons in a tight local “loop”, utilising only one nursery per planting site. Other alternatives are one-trip cartons, or, dare I suggest, in some cases disposable bags.

Forest Health issues can never be overestimated. Keeping our forest estate healthy will require the combined efforts of all industry participants working together.

**Peter Harington
Secretary, New Zealand Forest
Nursery Growers Association**

How Greenpeace sets out its priorities

Sir,

In response to John Purey-Cust's request for “an explanation of how Greenpeace sets out its priorities and arrives at its opinions”, I'm happy to explain further. (However, just as an aside to begin with, I doubt whether plantation corporates have ever explained openly to the public and their shareholders why they are pursuing particular forestry strategies.)

Firstly, on Greenpeace's organisational structure and accountability. Greenpeace NZ is funded by individual subscriptions from 35,000 New Zealanders and does not receive money from corporations or governments. Annual accounts are published and made available to members and the media. Its decision-making structures are open to scrutiny and include a Voting Assembly drawn from its membership which elects the Greenpeace NZ board. The GPNZ board approves policies for the organisation. Annual campaign planning involving Greenpeace staff and peers, using criteria that include ecological imperatives, potential for change and progress, and member and public concern over an issue, determine international and national priorities.