

support for the eradication programme. Television advertisements started from September 26 and road signs indicated the days when aerial spraying was taking place.

Eastern Auckland received its first spraying of Foray 48B on October 5. It has been carried out under the Biosecurity Act.

An overwhelming impression, from being on the Forest Disease Control Advisory Committee, is the thoroughness with which the Ministry of Forestry has evaluated, planned, publicised and carried out Operation Ever Green. The professionalism in the exercise is to be commended.

**Peter Allan  
Andrew Dakin  
Representatives of NZIF on  
FDCAC**



## IRR wars

Sir,

I have been observing the advertisements for forestry superannuation schemes. There seems to be some sort of competition as to who can come up with the highest Internal Rate of Return (IRR). One large company predicts the IRR to two decimal places, which must surely constitute deceptive advertising – even a pre-harvest MARVL inventory would not be that precise. Another company adds on (anticipated!) inflation to give nominal rates of return and then adds a few more percentage points to allow for a real price increase in the price of timber.

More fundamentally, is IRR the best arbiter of the worth of an investment? When comparing two investments, one could also use Net Present Value at a chosen discount rate. If the discount rate is approximately the same magnitude as the IRR (say, 13-14%), then both methods will pick the same investment. Few major forestry companies, however, use a discount rate as high as this, and a lower figure (8% for example) will result in a totally different choice of investment.

The IRR, or high discount rate, approach will favour regimes with low stockings (often less than 200 s/ha) and low rotation ages (often less than 20 years old). In a situation where market signals do not provide an incentive for the production of high wood quality, growing trees under such regimes can be a rational act. These regimes are relatively inexpensive, and capital is not tied up for long. Returns per hectare are low, but returns per dollar invested are high.

If an individual investor decides to maximise return per dollar rather than return per hectare, that is his or her investment decision and is of little national consequence. If, however, many large companies are doing the same thing, this becomes an issue of national strategic importance. Some predictions indicate that syndicate investors will dominate the national forest estate within a few decades. If this is true, and if their regimes are chosen solely on the basis of IRR, then New Zealand will export a large quantity of wood that is of low intrinsic quality for many uses. This would give radiata pine a poor market image, and impact on all growers of this species.

**Piers Maclaren**

## ‘More explanation needed from Greenpeace’

Sir,

I am sorry if my comment upset Murray Hosking's digestion and that I did not make it clear that my comment on Grant Rosoman's paper did not refer to his article in Vol. 39/4 of NZ Forestry, but to his earlier "The Plantation Effect" (Greenpeace 1994). The journal article is a short summary of this, and reads much better than its parent, which remains, as I said, an incoherent mishmash.

At the time it annoyed me for that incoherence and its reluctance to set out anything that a practitioner of forestry could pick up and use for the better. There are many things that must and will be changed for the better, and it is frustrating when someone who obviously has a clear vision of what such changes might be confines himself to merely striking attitudes.

At the Invercargill conference it became clear to me that "The Plantation Effect" had two purposes, neither of them to educate foresters. One, irrelevant to us, was as a patch-gaining exercise for his employer, Greenpeace. The other was to attract attention from the forestry profession as an entry to discussion. In that, as I wrote, he was successful, and his contribution to the conference was considerable and valuable. All that, and more, may be found in the conference papers, shortly to be published.

Foresters have a right to be suspicious of those who only target forestry when claiming the importance of biological diversity, conservation and sustainability. In the whole spectrum of land use, forestry is by many orders of magnitude at the benign end of the scale, as Grant agreed.

This certainly does not mean that

foresters can rest in a torpor of self-congratulation – there is a great deal to be changed for the better, and it would be a boring world if there were not – but what of those who only see the villain in forestry, while ignoring the vastly greater issues beyond it?

What cultural demons, what fears of social pressures, what need for a scapegoat have absolved any other form of land use from comment or criticism?

When pressed on this issue, Grant gave a curious reply. Firstly, he said that it did us no credit to ally ourselves to agriculture (which was not the question, though many would agree). Then he went on to say that his Head Office was running an international campaign on forestry, and they had to go along with that. He implied, though time did not allow for much elaboration, that Greenpeace is pursuing a one-world solution regardless of national situation, culture or climate, rather like the marketing of a world-famous fizzy drink.

I find that much more alarming, given that Greenpeace is itself a market-driven multinational (you can only subscribe, there are no local sections or voting procedures) whose financial sources and decision-making structures are not public knowledge.

Inevitably in that situation the choice of campaign will be influenced by what will sell and by the opinion of a cabal, which is surely not a very safe or very brave platform for sorting out environmental priorities.

We are still owed an explanation of how Greenpeace sets out its priorities and arrives at its opinions, and of how relevant these may (or may not) be to the New Zealand situation. Only then can we (all of us, not just foresters) judge their worth. They are certainly not tablets from on high.

**J.R. Purey-Cust**

## Indigenous silviculture

Sir,

We live in an age of sound bites and cosmetic devices, often having very little relevance to the actualities of a given situation. So it is with indigenous silviculture in New Zealand.

In the 1970s a seeming never end to the over-exploitation of the forests, or their continued conversion for still more pastoral land or to extend the exotic plantation estate, led to the birth of the modern influential forest conservation movement.

At the same time, a minority of foresters too were becoming unhappy at the ongoing folly of destroying the last significant forests capable of supporting