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New York

Forest Owner

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November - December, 1979

THE NEW YORK FOREST OWNERS ASSOCIATION



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WELCOME OUR NEW MEMBERS

Morrell Burke
RD #2
W. Winfield, NY

Ernest Bury
206 Valley Rd.
Ithaca, NY

Walter S. Dickson, Jr.
P.O. Box 11
Glenfield, NY

Scott R. Finch
182 Gate House, TR
Henrietta, NY

Kathleen E. Powell
Box 194
DeKalb Junction, NY

Joe Homburger
RD #3
Cooperstown, NY



ANNUAL MEMBERSHIP DUES (Please underline choice)

1980 Annual Dues shall be as follows:

Junior Member,	\$3
(Under 21 non-voting)	
Regular Membership	\$10
Family Membership	\$15
Contributing	\$15 to \$29
Sustaining	\$30 to \$99
Supporting Member	\$100 to \$499
Sponsoring Member	\$500 and up
"Gift" Membership	\$8

(You may send your dues to Mrs. Varian whose address is in the left column above)



FRONT COVER:
HEIBERG FOREST in the 1950's
Courtesy of Dr. Howard Miller.

Published by the NEW YORK FOREST OWNERS Association

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Ithaca, NY 13852

DIRECTORS - 1980

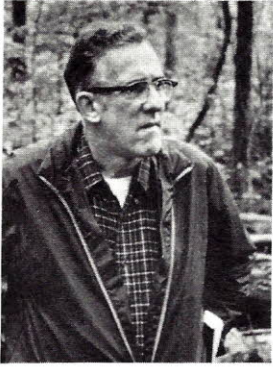
Robert Edmonds
Richard Lea
Barbara Pittenger
William S. Powers
Lloyd G. Strombeck
Howard O. Ward
Kenneth Williams

DIRECTORS - 1981

Robert Demeree
Kenneth L. Eberley
C. Eugene Farnsworth
David Hanaburgh
James P. Lassoie
Robert M. Sand
Frederick A. Umholtz

DIRECTORS - 1982

Gordon L. Conklin
Art Eschner
Mary S. McCarthy
Robert R. Morrow
Paul Steinfeld
Hardy L. Shirley
David P. Lum



President's Message

This is the last issue of the **Forest Owner** for 1979. I'm sure you'll agree that our Editor, **Evelyn Stock** has done an outstanding job in improving both the appearance and the content this year. No one really knows, except herself, how many hours she has spent to provide us with this "new look." We appreciate her outstanding efforts. For us all, let me take this opportunity to express to **Evelyn** our thanks for a great effort on her part, and we are indeed fortunate to have her as Editor. The **Forest Owner** is a most important part of **N.Y.F.O.A.**, and her responsibility to put together for the printer six issues on a bi-monthly basis is one that we all very much appreciate.

The increased 1980 dues structure was approved by a great majority of those who voted on the proposed By-Law ammendment announced and distributed with the last issue of the **Forest Owner**. A few members were hesitant to make this change, but realistic when we know that our financial resources are limited almost 100% to the membership dues. At the annual meeting in April, a raise of hands to increase the dues structure, indicated that near 90% of those in attendance accepted as necessary an increase and recommended the change. Thanks to this support by you, a viable **N.Y.F.O.A.** in the coming months is now assured.

I have a personal plea to any of you who might be willing to give a needed boost to **N.Y.F.O.A.** Our current checking account balance is in dire need of a temporary infusion. This is necessary to carry us financially into the coming calendar year without borrowing on several Certificates of Deposit that won't mature until January. My proposal is simple. If some of you would

pre-pay your 1980 dues before '79 ends, our Treasurer, Emiel Palmer will be able to pay the incoming bills with no difficulty. The 1980 dues are as follows: **REGULAR MEMBER** is \$10.00; **FAMILY MEMBERSHIP** is \$15.00; **JUNIOR** \$3.00 and "**GIFT**" **MEMBERSHIP** is \$8.00. Please send all checks payable to **N.Y.F.O.A.** to Mrs. Helen Varian at **PEEKSKILL, N.Y. 10566** with a memo "1980 dues." Your immediate response to this appeal will be appreciated.

Our Fall Field Trip at Old Forge, N.Y. coincided perfectly with the foliage color at it's peak. We indeed are indebted to the **ADIRONDACK LEAGUE CLUB** for this opportunity to spend a beautiful afternoon on their holdings. **Ken Williams**, the League's "man on the ground" and Consultant Forester, provided an appropriate itinerary, and with his vivacious wife, **Jane**, hosted nearly 70 of our members and guests to a most interesting and instructive forest owner's field trip. Ken never did locate the fish hatchery—but we did end our day atop McCawley Mountain via chair lift as a special treat. Thanks to Ken and Jane Williams, September 29th. was a day we'll long remember as a successful Fall Meeting.

The holidays are fast approaching. From all of your Officers and Directors of **N.Y.F.O.A.**, we extend best wishes to all our members and their families for a most happy and healthful year end.

HYPOTHERMIA - A sneaky death

The majority of hypothermia cases (drop in the body core temperature) occur at temperatures between 30 and 50 degrees Fahrenheit, when the effects of chill are less noticeable. Deaths have occurred at 40 degree temperatures with a 30 m.p.h. breeze. The primary cause of body heat loss at these temperatures is convection.

The body is constantly warming a layer of air near the skin. If this warm air stays close to the skin, the rest of the body remains warm. If the warmth is lost to the surrounding air (convection) the body temperature drops. A layer of clothing retains this essential body warmth.

Wool clothing is especially effective in seasons when frequent rain occurs. Wool, unlike cotton, retains body warmth even when wet. Hikers will find this property valuable on long trips when changes to dry clothing are not possible.

Whether or not you think its warm enough to get by without a jacket or sweater, play it safe — they won't do you any good hanging in the closet.

In Scotland where homes have little heat, deaths from Hypothermia are not unusual especially among the old and the very young. So when trying to conserve heat this winter remember that Hypothermia is a sneaky thing.

EISENHOWER

Eisenhower when asked in what way he practiced religion answered. I pray as though it all depends on God and I work as though it all depends on me.

NOVEMBER

The year lies dying in the evening light;
 the poet musing in autumnal woods;
 Hears melancholy sighs;
 Among the withered leaves.
 No so — but like a spirit glorified
 The angel of the year departs, lays down
 His robes, once green in spring
 Or bright with summer's blue;
 And having done his mission on the earth,
 Filling ten thousand vales with rosy corn,
 Orchards with rosy fruit,
 And scattering flowers around,
 He lingers for a moment in the west,
 With the declining sun sheds over all
 A pleasant, fare-well smile
 And so returns to God.

The Fall Meeting

About 65 of us met at the North-eastern Loggers Forest Industries Exhibit hall at 10 a.m. Saturday, September 29 for the Fall meeting.

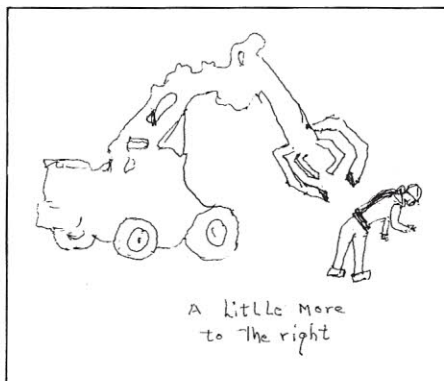
There we met **George Mitchell** of the Northern Logger's Association and **George Fowler**, Editor of the Northern Logger. Who gave us a short history of both. It seems a long time ago a minister in the area took notes of the happenings around there and passed them out to the loggers. In time the project became so extensive that it was made into a magazine called the Northern Logger. As loggers affairs became more complicated the Northern Logger association was formed, eventually the building was built and last year had 70,000 visitors.

The building is as interesting as the many forest products exhibited there. I always thought the black keys on pianos were made of ebony but found they are not.

On the lower floor wall are some forest cartoons that bring a chuckle a reasonable facsimile of one of them follows.



Forest Industries Exhibit Hall, Old Forge.



After lunch we went to the Adirondack League club forest. The forester for the club, Ken Williams is also a director of the New York Forest Owner's Association, and was instrumental in helping Bob Sand obtain permission for our group (only the 2nd such group) to visit the woods.

The forest covers 52,000 acres with 6,000 acres of virgin forest. The club has 350 members and was formed in 1889 by Bernard Fernow to preserve and protect the Adirondacks and provide sanctuary for its members.

Some of the best maple grows here and along with yellow birch are the major species. The club maintains an extensive road system. Ken took us around to various sites to show what had been done, and we rode many miles.

I hear that some people enjoyed a ride on a ski lift, but I did not get to see it. It was late in the day and I had headed home.

Bob Sand is to be commended for planning such an interesting day. I am sure it took many hours of hard work on his part. — Editor



Forest Owners at the Adirondack League Club.



Kenaf! Newsprint's Golden Greenstalk

By Donald N. Soldwedel*

"We marked a stalk, and nine days later the marker was 16" higher. . . It was 14'3" tall just 120 days after planting!"

Recently I was approached by a publisher who wanted to know how soon I felt he could start growing Kenaf on his several-thousand-acre family ranch. You may ask, "Why Kenaf? Why such concern about a supplemental pulp source?" Consider the following:

First, the increasing demand for wood in new as well as traditional uses will continue to drive supply down and price-up.

Second, the future will bring continued ecological demands for paper recycling. Kenaf fiber may make a singularly superb pulp for this use.

Third, the freight cost factor in newsprint might be reduced if kenaf fiber is developed, for it would make regionalization of mills feasible.

"An average acre of kenaf will likely yield more than nine times the pulp per acre as comparable forest land. . ."

In the early 1950s the U.S. Department of Agriculture began studying hundreds of plants as pulp sources. They settled on kenaf—*Hibiscus cannabinus* is its scientific name—a non-wood annual plant with long bast (inner stalk) fibers and short woody fibers. At the time kenaf pulp was assumed to be—and was—cheaper than wood pulp. However, the relatively low price

of newsprint then did not allow for a reasonable return to the farmer and the project was shelved.

Two years ago, at the Anaheim Production Management Conference of the ANPA/RI, a roll of kenaf newsprint was dramatically unrolled. It was made at the Peoria Center on its paper making machine, and some of that same paper on which a portion of the Peoria (Ill.) *Journal Star* of August 8, 1977 was printed. My copy still looks as good as the day it was printed.

Wouldn't it be nice to deliver a newspaper to readers printed on paper made from a locally grown field crop?

"We took four months to grow the crop, another month to make it quit growing (as high as 17'), and another two months to figure out how to harvest it!"

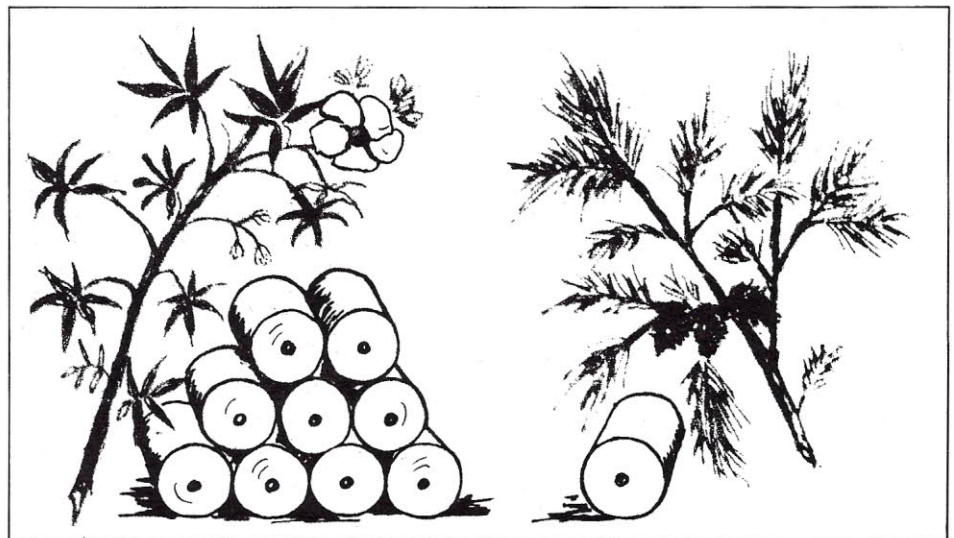
In the Yuma, Arizona, area and the Imperial Valley of Southern California,

it is theoretically possible to grow one crop of kenaf on each irrigable acre each year. This would supply nearly six million tons of kenaf to the United States newsprint industry—its entire pulp needs for one year. But this would not be practical, and I state it only to show the tremendous production potential of this crop.

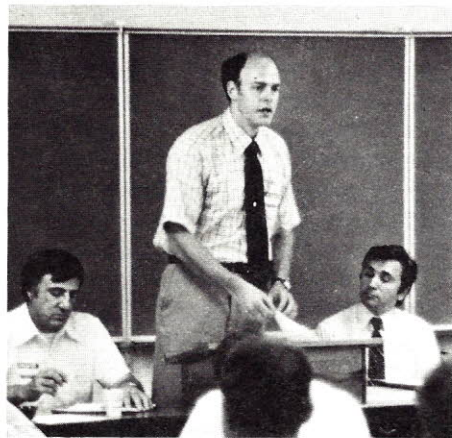
"The constantly higher demand for wood, and the consequent higher prices, have brought us to the point where kenaf can be produced for a significantly lower price—enough to attract a great deal of attention. . ."

A 100-ton yield for 30 acres is not much, but Kammann lost about ten acres through experimental harvesting techniques. The University of Arizona experimental farm at Yuma planted some small plots as the same time we did, and reported a yield of more than ten tons per acre, but that seems a bit high. It has been estimated that if we cube the harvest, the total yield from 50 acres could be stored on just one acre, which should mean storage should not be much of a problem. By dint of the foregoing, when our manufacturer wanted raw kenaf we had it for him—provided we could get it out of the field! We got it out of course. We baled some, chopped some, and cubed some, and in toto got a ton of it to the newsprint research facility. (By the way, chopped kenaf looks a lot like crushed shredded wheat, and in "cubed" form we compressed it to 1x1x3".)

As an endnote—I propose that everyone interested give a deserved vote of thanks to that still-unidentified newsprint company for the work it's doing on behalf of kenaf research!



The pulp yield from an acre of kenaf is expected to be nine times greater than the yield from an acre of comparable forest land.



Neil Gutchess-President of Forest Information Group Addresses Round Table group.

The New York State Assembly Committee on Environmental Conservation sponsored a roundtable discussion on the subject of appropriate technology in forest resource management. Seeking guidance on how we in New York can manage our bountiful forest resources to create employment and promote a high quality of life. The round table was held in the Moon Library Conference Room at the State University of New York at Syracuse, College of Environmental Science and Forestry on September 14, 1979.

According to the United States Forest Service 47% of the land area of New York State is commercial forest land, capable of growing crops for timber utilization. The people of the State of New York in public ownership own over 800,000 acres of this land, the forest in-

dustry over 1,000,000 acres, and non-industrial private owners own some 12,000,000 acres.

Appropriate technology in forest resource management means utilizing technologies which are non-polluting, environmentally sound and promote the economic needs of New York citizens. Through the use of appropriate technologies, production seeks an anti-inflationary sustained yield while at the same time providing forest land for recreation, wildlife habitat, watershed protection and aesthetic values.

Presentations were made on the following in the private sector:

— Economics of Forest Land Management - **Curtis H. Bauer**, President, New York Institute of Consulting Foresters.

— Economics of Forest Taxation - **F.A. Demeree**, Past Chairman New York State Forest Practice Board.

— Employment and Growth Opportunities in the New York Forest Industry.

— **Neil Gutchess**, Past President, Empire State Forest Products Association

Presentations were made on the following in the public sector:

— Managing New York's Public Commercial Forest, Where We Are, Where We Are Going - **Daniel W. Weller**, Principal Forester, Division of Lands & Forests.

— Firewood Supplies and Sales, the Problems and Opportunities - **Richard Cipperly**, Associate Forester, DEC, Chairman Society of American Foresters, New York Section.

Forest Resource in New York — by Neil Gutchess

"The forest resource in New York is one of our most important and probably least known assets, and the wise management of that resource is one of our most important yet probably least understood obligations." There is a direct present and future connection between the employment and commerce potential in the New York forest industry and the management of the forest resource.

New York is the heart of the so called "Northern Forest." Our forests, which make up about 50% of our total land area contain more growing stocks of sugar maple, yellow birch, basswood, beech and white ash than any other state. In addition New York forests con-

tain significant quantities of oak and cherry which are extremely valuable species.

Demand for products from our forests is growing significantly. Not only are domestic manufacturers shopping for our unique resource but also affluent European customers have recognized and are demanding household products made with forest resources originating in New York. The United States Forest Service estimates that prices for forest products will rise because of supply and demand factors about 2% per year above the average of all prices over the next 20 years or so.

Over the past two or three years the number of primary manufacturing

plants operating in New York has increased from 442 to 494. Even discounting firewood sales, withdrawals from our forests have increased substantially. It is becoming increasingly clear that future growth in manufacturing and employment relate directly to the intensity of professional management of our forest resource.

New York's timber based industries employ over 300,000 people, and although it is true that many of the forest resources that sustain this employment originate from outside of New York State, it is also true that many of the resources of our forests are fabricated into products outside of New York State.

In the management of our forests we are concerned about both the volume of our growth and the quality of the growth. Relating to volume, our forests are producing at less than 50% of their potential. Relating to quality, we quote from the recently published **1979 New York Forest Productivity Report** sponsored by the Forest Industries Advisory Council, "The quality of sawlogs on the State's commercial forest land base is poor due to its history of use and management. As the State continued to grow, demand for high quality timber also grew and, as a result, the best trees were cut. The poorer ones were left to produce today's forests. The effects of such cutting practices are evident."

We hear talk of forest management, firewood, selection cutting, sawlogs, pulpwood, clear cutting, wood for energy, and biomass and we hear units of measurement such as board feet, tons, cubic feet, cords and face cords and there is considerable confusion.

At the risk of oversimplification, with our forest resource we must think in terms of relative values. If we give a tree or trees growing in our forests a relative value of 1 for use as firewood or biomass, reasonably good quality sawlogs have a relative value of 10. Employment and commerce are directly related to the value added to a resource from the raw material to the finished product. Firewood or biomass increases in value 10 times until it is consumed for energy. The United States Forest Service estimates that forest resources increase in value by a factor of 25 before becoming a finished product in use by a customer.

Wood is a material that is efficiently made by nature using solar energy. If we can use wood in its natural form, it has about 25 times the value to us that it does if we reconvert it into energy.

Our generation has used up considerably more than its share of the earth's resources. To generate employment and commerce for our generation and for our children, we must commit ourselves to intensive management of our State's forest resource and we must manage for the values that are unique to our resource. It is the height of folly to presently convert forest resources into energy that can presently or in the future be used for wood products.

If we are to squarely look our grandchildren in the eye we must commit ourselves to helping nature create a resource that will give future genera-

tions employment, comfort and shelter, and a high quality of life.

Over the past years we have learned a great deal about how our hardwood forests respond to treatment by professional foresters. We must rely on our professional people and seek answers from them. We must also support their efforts and commit ourselves to increase the value, volume and quality of the New York forest resource.

Specific recommendations relating to our forests made by the previously mentioned New York Forest Productivity Study include the following:

1. We continue the States current forest tax law and eventually modify this law so as to encourage more woodland owners to participate.

2. We improve administration of the Forest Incentives Program so allocated funds will be used more efficiently. (FIP is a federally funded, state administered forest improvement program.)

3. We increase forest industry participation in developing compensation rates for FIP work.

4. We classify beech control as a timber stand improvement activity in existing cost share programs. (Our beech is being killed by an insect and fungus combination. Bush like growth regenerates after death of the tree.)

5. We expand existing forestry information and educational programs, with increased cooperation between forest industry, educational institutions and State agencies.

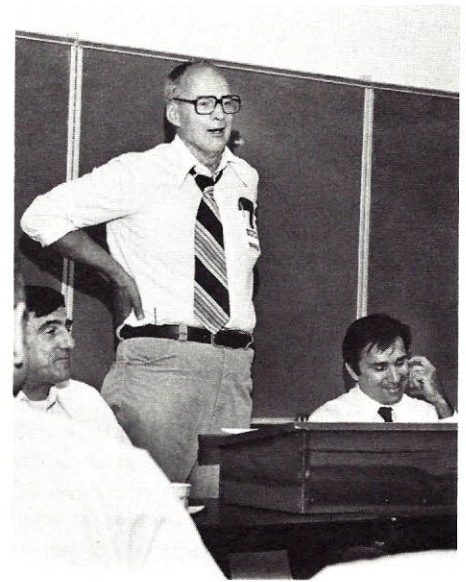
The study indicates that tax policies, such as those governing land and inheritance taxes, the long-term nature of the required investment, a lack of forest management knowledge by landowners, high labor costs for forest improvement and a potential increase in state land-use restrictions are among the impediments to more intensive forest management activity.

EXCUSE

When the Moors were at the height of their cultural development this story was told about them. A Moorish farmer called at the home of his neighbor and asked if he might borrow a rope. "Oh, good and faithful neighbor, I must regretfully request of you this simple favor," spoke the man. "The rope you request cannot be given, for I use it to tie up my milk."

"But surely," replied the would-be borrower, milk cannot be tied up with a rope?"

"By Allah, the refuser said. "When one does not want to do a thing, one reason is as good as another."



The Changing Adirondack Economic Base A Case Study

By John W. Stock

There have been very few economic studies of any depth at all of the Adirondack region. **Dr. Charles Larson** of the College of Environmental Science and Forestry did one in 1956. In 1970 the Temporary Study Commission on the Adirondacks included some gross economic factors in the exhaustive report. They recognized two hard industries in the Park, Mining, and Forest products. The mining industry which then consisted of seven major sites and employed over 2,000 people. Five of these sites have been more or less abandoned and 1800 of the jobs have been lost.

The other hard industry, forest products, much larger and employing more people and being a user of a renewable resource may be going the same way. The problem is the economics of the ownership of their resource base.

Ownership of forest land has always presented too many economic problems to be repeated here. I want to talk about attempts to ameliorate these problems and the problems these measures are themselves causing.

480A was an attempt to take some of the tax load off the owners of forest land to try and make such ownership a reasonably sound investment. Most of the people here are familiar with this law so I won't explain how it is supposed to work. I want to dwell on how it is working in the first major parcel to be accepted for inclusion under this act in the Adirondacks.

Big Wolf Club is a seasonal home settlement in the Tupper Lake area. They own something over 3,000 acres of forested land around Big Wolf Lake. Membership in the Club is somewhat restricted and the summer hours are in the 50-100,000 category. They have placed 3,000 of their acres under 480A. This is all their land except the shoreline acreage on which the summer homes are built. Their reduction in taxes this year will be in the neighborhood of \$3000. This \$3000 will be paid by the other tax payers in the Town. It was contemplated, when the bill was written, that the forced harvesting under the forest management plan plus the TSI work necessary would both help reimburse the Town and School District for lost taxes and would act as a disincentive to anyone to use this as a tax shelter. The schedule of operations for the next few years is interesting;

There is no TSI work scheduled until 84/85 when there is 18 acres

In 85/86-----10 acres

And in 87/88 10 acres.

This is the entire TSI work to be done for the first 15 years.

The harvesting plan is also interesting. To the year 1987 there is an average annual cut on 8½ acres of land for pulpwood. In the fifteen year management plan there will be only 530 acres of pulpwood harvested. In the same time, if the tax rate stayed the same, they would have had \$45,000 of their taxes paid by the other people in the Town.

In the same town there are over 50,000 acres of forest land in the same condition. What would be the result if they followed the same pattern. How would the other taxpayers cope with the tax shift.

This is an example of a method that forest landowners are using to enable them to hang on to their land. Here is another case and another method.

A conservation or scenic easement is a method where the landowner gives to someone, either the State or the Adirondack Conservancy, certain of the rights that he has as a landowner. He may say that he will not allow any buildings to be built, will not cut any timber, and will let the State have his land for nothing at the end of a certain number of years. In exchange for giving up these rights, the IRS will allow him to claim a deduction on his income tax and on his inheritance tax of as much as 90% of the value of the property. There

are about 80,000 acres of forest land in the Adirondacks that are under or are in the process of going under such a conservation easement.

Because of the real tax implications of this approach to individual protection of forest ownership, the grantors have largely said that they were not going to do anything about getting tax relief from their real property assessment, even though they had given up a large percentage of the market value of their land. That is up to now.

One landowner, an individual, who conveyed such an easement to the state has asked for a reduction in his assessment. He has been refused. He does not know whether he will take any legal action or not at this point.

One case is getting to the courts. An owner gave up all his building and development rights, all his rights to harvest timber, and allowed public access to all his land under the easement. He claims that there is little if any "Marketable value" left to his land. What would anyone want it for. This land forms such a major part of the tax base of the Town that the assessors cannot reduce the assessment. This is going to be a protracted legal battle.

The whole question ties in somewhat with the current Adirondack perceptual problem with clearcutting. There is a group that is reacting with horror at the thought of clear cuts because as one of them put it, "after a clearcut there will be no payroll generated by this land for a long time. After a conservation easement there will be no payroll generated by this land forever."

The Adirondack Park Agency is vitally interested in this problem and has suggested legislation that would ameliorate the condition when the State is the beneficiary of the easement. When the beneficiary is a tax free group, the solution becomes more difficult.

It is something the legislature must address.

* * *

Economics of Forest Taxation

Francis A. Demeree
Past Chairman of The New York
State Forest Practice Board

Good morning. It is a very deeply appreciated privilege to participate with you in this effort to become informed as to the best ways to guide New York State in maximizing the employment and growth opportunities afforded by our vast forested areas. Your committee I understand, has investigated some constructive forest management and harvesting as well as utilization of some forest products. I also understand that time and location did not afford you views of destructive harvesting methods and the terrific adverse effect that they can have on our forest lands. Thankfully, destructive harvesting is lessening and good management of our wood lands is increasing. Danger of ruination of this great renewable forest resource of ours, however, is not over.

Three major adverse factors remain, and if they attack a forest at any time within the 60 to 100 years that it takes to produce a forest crop, ruination can result.

Number one — destruction by fire (we have come to control that pretty well in New York State).

Number two — destruction by insects and disease. This is always a real danger and a constant worry. We have seen whole species of trees destroyed just in our life time. We lost the magnificent and valuable Chestnut and we are losing our Elms and now the Beech is dying. Some progress is being made in this field but much remains to be done.

And thirdly, destruction induced by exorbitant and confiscatory taxation. My presentation this morning will try to very briefly and factually deal with this subject.

Overall, we of course, must consider the importance of all taxes that affect the forest owner — estate and inheritance taxes, real estate taxes, income and capital gain taxes and when

Continued on P. 10



You and others in your organization are to be congratulated for putting together a smoothly run, two day program. I benefited from a renewed perspective of the ways in which existing laws impact the private landowner and influence the timber harvesting industry. It is regrettable that the Assembly's Conservation Committee was not fully represented during the presentations by timber harvesters, DEC foresters, small woodlot owners, and researchers.

Thanks again to you and the New York Forest Information Group for providing food for both body and thought.

Sincerely,
Robert J. Connor
Member of Assembly

WASHINGTON STATE COUPLE NAMED OUTSTANDING TREE FARMERS

WASHINGTON, D.C. — **Albert and Ella Deishl** of Otis Orchards, Wash., who receive a major part of their retirement income from managing the timber growth on their 990-acre Tree Farm, have been named national Tree Farmers of the Year by American Forest Institute (AFI).

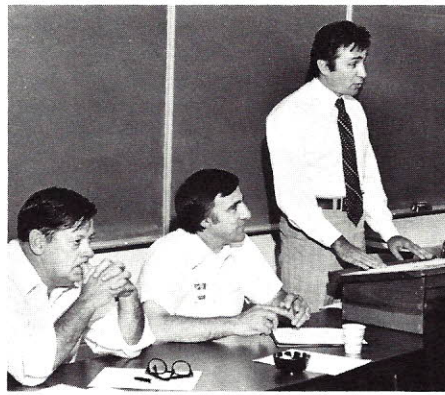
Mr. and Mrs. Deishl were chosen to represent the best of the 38,000 tree farmers with 80 million acres of productive timberland who are members of the AFI-sponsored American Tree Farm System.

The nation's forest products industry sponsors the Tree Farm program to encourage and assist private landowners in managing their forests as a renewable resource.

Deishl, 69, manages the timber growth on his land to sustain an annual harvest of up to 300,000 board feet — enough wood to build 25 houses — on a perpetual basis. To do it, he puts in a longer, tougher day than most people half his age.

"I personally select and mark each tree to be cut," he said. "We leave the ones that are growing best — we're trying to get an inch of diameter growth every four years. Some trees just naturally grow faster than others, and management helps them do better by giving the best ones the space they need to grow."

The 1979 award will be presented to the Deishls at a major forest industry meeting in November.



Maurice Hinchey Addresses Round Table.

September 20, 1979

Mr. Neil Gutchess, Chairman
New York Forest Information Group
P.O. Box 585
Cortland, New York 13045

Dear Neil:

On behalf of the Assembly Environmental Conservation Committee, I want to thank you for arranging the illuminating look at New York's forest industry. The day was most enjoyable and informative.

We all gained an increased understanding of the complexities of forest management from the tour and discussions. I know the first-hand experience will be helpful in deliberating these issues in the future. I speak for the Committee in commending the well-organized presentations on the tour. Rarely is official business so interesting and pleasureable.

I am sympathetic to your point of view that New York's forests are a precious renewable resource which should be developed consistent with sound conservation practices. I am committed to working with the Department of Environmental Conservation, private and industrial foresters, and others in the wood products industry to maximize the use of public lands (outside the forest preserve) and private lands, wherever feasible, to promote the development of timber resources.

Again, I wish to thank you and the New York Forest Information Group for the kind hospitality and informative presentations. I look forward to pursuing in greater detail some of the topics we touched upon in our recent meeting.

Sincerely,
Maurice D. Hinchey, Chairman
Environmental Conservation
Committee

Thanks so much for the interesting and informative tour of this state's forest region.

I believe the tours and lectures were very informative and helped enhance my knowledge of forest management and wildlife. An increased awareness and understanding of this subject matter will certainly help me make wiser decisions as a member of the Environmental Conservation Committee.

Again, thank you for your consideration and for enclosing a copy of your presentation.

Cordially,
Joseph T. Pillittere
Assemblyman

POEMS

NOVEMBER

O Wild West Wind, thou breath of Autumn's being,
Thou, from whose unseen presence the leaves dead
Are driven like ghosts from an enchanter fleeing,
Wild Spirit, which art moving everywhere,
Destroyer and preserver, hear, or hear!
The trumpet of a prophesy! O Wind,
If Winter comes, can Spring be far behind.
Shelley

DECEMBER

And after him came next the chill December,
Yet he, through merry feasting which he made
And great bon-fires, did not the cold remember;
His saviour's birth his mind so much did glad;
Upon a shaggy-bearded goat he rode,
The same where with Dan Jove in Tender yeares;
They say, was nourisht by th' loean Mayd;
And in his hand a broad, deep bowl he beares,
Of which he freely drinks an health to all his peers?
Spenser

September 24, 1979

Dear Mrs. Stock,

It was a pleasure meeting you at the committee meeting. It gives me a good feeling to know that many professionals are concerned about the future of forestry in New York.

If I can ever be of assistance in any manner please feel free to contact me.
Respectfully,
Christian Gearwar

Economics of . . . Continued

forest tax laws are taken advantage of, stumpage or cutting taxes.

However, for our purpose here, we probably, in the time allowed should only zero in on real estate taxes. They are the ones that affect **every** forest owner, they are the ones that come twice **every** year and ordinarily represent the largest share of operating expenses involved in the growing of forest crops.

Actually exemptions and exclusions are being raised now at both Federal and State levels on inheritance taxes as you know, and in most cases this will remove the great dangers we were facing in the breaking up of forest holdings to pay these levies. Also the income tax is helped by the treatment of forest product sales as long term capital gains. So, if real estate taxes had continued to be levied in a historical manner and had only increased in line with inflation, there would really be no justification for my presentation here this morning.

Actually however, vast changes in this process have taken place in the last ten years which unless checked and reversed will spell out destruction of our vitally needed forest crops instead of instilling the improved management and protection that our forests must have if they are to provide the wood and fiber we are increasingly going to need from them.

Let us briefly explore the highlights of these changes.

First and foremost we must keep in mind that the law and directives in New York State presently call for assessments and taxes based on "highest and best use values."

Historically, present use and highest and best use on forest lands went hand in hand. Land was bought and sold for forest growing purposes. The income from this land was predicated on the growth and selling price of forest products. The returns were most moderate due to slow growth and long, long term maturities plus the prevailing low price for stumpage. (standing timber in the woods.) So, the land sold at very low prices, assessments were also low and taxes amounted to about 30¢ to 70¢ per acre per year.

Some years ago major changes started taking place. Due to increased population, increased incomes, and increased leisure time, some of these lands began to be sold for development

or recreational purposes at prices that had nothing to do with their productivity but rather were based on the income and capital the buyers derived from completely outside sources. The result has been that, except in some rare cases, no land has been bought for the growing of forest crops in late years.

Now, to carry this one step further. Highest and best use values in our state are mainly based on the amount a willing buyer pays a willing seller for like property. The sales, for recreational or development uses, although they were many, represent only a small percentage of our open space lands but — they were the only comparative sales available to the assessors and therefore this trend started sending forest land assessments and taxes upward fast.

Next step coming up. In late years court decisions mandating assessment of real property at full value have been and are being handed down thus starting to move assessment procedures in line with the laws that were on the books but not enforced before.

And now for the final blow. In 1970 good legislation was passed, updating assessment training and procedures, calling for the creation of County Tax Departments and mandating complete County wide real estate re-assessment. So — the professionals move in and they obey the law. Assessment of upstate open space lands sky rocketed — from \$10.00 to \$30.00 per acre to up to \$150.00 to \$400.00 per acre and total yearly real estate taxes soared from 30¢ to 70¢ per acre per year up to \$3.00 to \$10.00 per acre per year!

The question immediately arises, O.K. where does all this extra money go? Re-assessment doesn't actually change the need for tax income a bit. The rates therefore must go down. They do, or else the tax bite for the forest owner would be even more horrendous. The big change however, came in the valuations and taxes on industry and business owned real estate. The assessors, and I have been one of those much maligned individuals, historically assessed industrial and business property heavily. It was felt that they represented going concerns with good incomes and they could handle the resulting taxes. Under re-assessment by trained people however, all real estate is treated equally and the 10% to 20% resulting tax savings which actually accrues on the high value industrial and business real estate, when transferred to the low value open space

lands makes a terrific impact.

I hope the above brief synopsis will explain, to those of you who our forest tax committee bothered so much, why the State Forest Practice Board and many, many others, who could see this situation shaping up, made such efforts to help get a fair and equitable forest tax law in place in New York State. It will serve no purpose to dwell on this Forest Tax Law, Section 480A as it is referred to, today except to mention in passing, that it is not perfect, it may be, with a few changes, the best we can do, and the need for some such law, at least for now, is evidenced by the fact that practically every forested state does have some kind of favorable forest tax law on the books.

Over the long run soaring taxes on forest lands forecast serious loss to the economy and beauty of our state and actually serious losses to the local taxing jurisdictions (short term gains possibly but long term losses surely). The forest owner faced by a tremendous tax burden must immediately or eventually realize that he cannot justify holding this land for forest production. When he, in most cases sorrowfully, comes to this decision, his first logical step will be to have whatever forest crop he has on the land butchered off and then break up his holdings into whatever sized parcels will sell and unload at the best price obtainable. Much of this is going on today. In Chenango County, where we have gone through the re-valuation process, "for sale" signs blanket our rural landscape.

These smaller parcels, with the dwellings that will appear on most of them, will admittedly pay more taxes than the \$1.25 to \$1.75 per acre per year that the forest owner can now pay at today's level or prices but whereas the forest lands require practically no public services, the smaller developed plots will need and demand services far in excess of the tax increases their ownership generate. The net tax result will not be a gain but rather an operating loss for the township, county, the school district, fire district and perhaps other needed service districts. Probably the most tragic loss is that that area will never again be a productive forest and all the assets productive forests give all of us will be forever lost.

Thankfully we can list a few items on the favorable side that offer hope.

Number one — you, the Conservation Committee of the New York State

Continued on P. 12

Statement on Appropriate Technology in Resource Management of New York's Commercial Forest Land

Mr. Chairman and members of the N.Y. State Assembly Committee on Environmental Conservation: Let me first express my appreciation to you and your committee for spending this day with us and for providing this opportunity for us to share our thoughts on technology related to forest resources management in New York State. My personal input is offered as chairman of SUNY College of Environmental Science and Forestry's Department of Environmental and Forest Biology, with teaching and research interests in the basic sciences underlying forest productivity, and as a professional interest in resources protection against biological agents such as insects and diseases.

As was emphasized by many speakers this morning, the practice of forestry in New York State is expensive: land costs, taxes, labor, interest in investment, all of these must be recovered from vegetable and animal products and a host of other benefits we derive from the forest. To these costs we must not neglect to add indirect losses due to physiological and genetically inferior growing stocks and the direct losses due to insects and diseases. As we approach the next decade of the eighties, those of us who spend some time in the forest are noting a dramatic turnaround in the potential economic value that can accrue to New York State from its forests. Increasing utilization of poor quality wood products for energy and other purposes, better genetic lineages in the more desirable species and more intensive management practices in general will dictate not only increased product values *per se*, but inflation in time will dramatically compound values. If this is an accurate picture, and many agree that it is, the need for effective, environmentally acceptable protection against losses is more imperative than ever before.

At the same time that we recognize these enhanced values for the forests of New York, we are experiencing new environmental regulations and public concerns which will require a new scrutiny of our methodologies of protection. It is timely, for the public good, to bring into practice new methods being developed in the biological sciences, particularly in forest entomology and

forest pathology. Practices of the past have been based heavily on chemical methods borrowed from agriculture. We at one time reached a point when less than \$1.00 per acre would control some of our important pests with pesticides. However there are several aspects that made that practice undesirable. Unlike agriculture, in which a \$1.00 expenditure for pest control is immediately recoverable, in forest practice, this cost, particularly when expended during the early life of the tree is not recovered for decades or even half-centuries and, when compounded at current interest rates, constitutes a very costly practice. Furthermore, with restrictions imposed by the U.S. Environmental Protection Agency and the N.Y. State Department of Environmental Conservation, chemical controls have effectively been limited to problems where their costs, risks and benefits could be balanced favorably.

This has led to the modern practice in pestology called "Integrated Pest Management." In theory, this approach incorporates known aspects of each host plant or commodity *vs.* pest complex, so that the most cost effective and most environmentally acceptable practices of biological, cultural and chemical methodology can be brought to bear upon a problem. There are many known elements of such systems already in practice or in the scientific literature that can be assembled at once and brought into practice through public education. On the other hand, there are important pests for which major elements of knowledge are wholly or partly lacking. We need to proceed aggressively toward filling in these gaps. We need to enhance productivity through better understanding of plant growth and plant resistance, for example, and to develop and evaluate modern tools of protection such as biological control and behavior-modifying chemicals. In the latter case, it is potentially possible to dispense synthetic mimics of natural chemical products in nanogram amounts rather than in pounds per hectare, resulting, obviously, in the slightest possible effects on the environment.

To illustrate briefly, at the College of Environmental Science and Forestry, we are on the threshold of offering a package for the integrated management of American elm against the Dutch elm disease. Once implemented by communities, the system should permit us to

enjoy this magnificent species with each tree offering 100 years of shade in addition to wood products at maturity.

Similar success is being achieved in biological control through the release of insect predators and parasites in New York and in neighboring states. The State of Pennsylvania where a vigorous program of rearing and releasing insect parasites over a period of 5 years has been especially successful and has grossly reduced needs for the chemical control of the gypsy moth. We in New York State need to launch a similar effort in modern biological control to fit our conditions. To some extent, we in New York have applied biological control in the form of microbial pesticides; but attempts to raise, release and understand the basic interactions of parasites and predators are lagging behind.

For the State of New York, we envision the development of rather complex systems of integrated pest management that take into account the dynamics of plants *vs.* other organisms. In practice, it well-trained practitioners on behalf of public and private interests to implement these complex systems over regions, plant distributions, insect and disease distributions. Such problems are better solved holistically than by small ownerships. While we do not anticipate denying individual ownerships the privilege of implementation of various control or preventive measures, the new methods, controlling pests over broad areas will, in the long run prove more acceptable both economically and environmentally.

In summary, new methodology is fast becoming available that should make New York State a good place in which to establish, grow and protect forests and forest products. We look to your Committee for the needed scrutiny, understanding and support of programs that will benefit both private and public forest ownerships. The College of Environmental Science and Forestry is well suited to lend its talents and scientific resources to help in the development of appropriate technology towards these purposes.

I thank you again for this opportunity to speak before your committee.

John B. Simeone, Chairman
Department of Environmental
and Forest Biology



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Publications You Should Know About

NEW TIMBER TAX JOURNAL AVAILABLE VOLUME 15, 1979

An invaluable research guide for timber owners, attorneys, foresters, educators, accountants and managers in associated timber products industries.

The **Timber Tax Journal** is the industry's definitive, single-volume sourcebook which deals with the problems and issues of timber taxation, particularly with the effects of capital gains taxation on timber growth and wood production.

Volume 15 of the **Journal** retains the regular features of past volumes and reports the 1978 developments. But, in addition, includes a new chapter on administrative developments which reports on new Treasury Regulations and rulings of the Internal Revenue Service.

The current and previously unavailable rulings dealing with timber taxation are summarized in Volume 15 and those of particular significance are printed in full.

Correspondents wishing only a general summary of the new law may wish to consider purchasing the sixth edition of **Tax Treatment of Timber** which continues to be available having been published as part of Volume 14 of the **Journal**.

Available from Forest Industries Committee on Timber Valuation and Taxation, 1250 Connecticut Avenue, N.W., Washington, D.C. 20036.

Economics of . . . Continued

Assembly, are taking of your busy time to study our bountiful and renewable forest resources in order to maximize employment and growth opportunities.

Number two — we have a Real Estate Study Commission at work in our state with a mandate to come up with better ways to handle our tax needs and tax levies and — other groups interested in the economic well being of our state as well as energy related interests are seriously concerned with our forest resources, its related problems and opportunities.

In closing may I repeat that our renewable forest resources represent one of the greatest of our state's assets but superlative legislative action and administrative wisdom is and will continue to be needed to help insure its future and its continued and improved productivity which will be so vital to our economy and well being in the years ahead.

ON THE CALENDAR

Members New York Forest Information Group:

On November 13, at 1:30 p.m., we will hold a meeting in Syracuse, New York at the College of Environmental Science and Forestry Campus in Room 324 of Bray Hall. The purpose of the meeting will be to briefly review our past projects, including the forest tour held for legislators in September, and to outline our program for 1980. Also, we will be selecting a new chairman for the New York Forest Information Group and perhaps a small working committee.

Neil Gutches, Chairman

37th Annual Meeting of Forest Industries Committee on Timber Valuation and Taxation

The next Annual Meeting of the **Forest Industries Committee on Timber Valuation and Taxation** has been called for November 7-9, 1979 at The Arizona Biltmore, Phoenix, Arizona.

The meeting will include a critical review of two pressing legislative matters of major importance: (1) reforestation incentives and (2) estate taxation. In addition, it will provide an opportunity for individual taxpayers to attend a workshop on their timber tax problems under both income and estate tax rules.

The American Paper Institute and the **National Forest Products Association** announces that Environmental Forum VIII will take place on Thursday and Friday, November 29 and 30, at the L'Enfant Plaza Hotel in Washington, D.C. As our featured luncheon speaker for Thursday, November 29, we have invited the Honorable Luther Hodges, Jr., Under Secretary of Commerce.

The tentative list of issues for Environmental Forum VIII is as follows:

November 29:

- (1) Water — The BAT/Toxics Indicator Policy
- (2) Solid Waste — Government Control of Hazardous Wastes
- (3) Air — Issue Options for New Air Amendments

November 30:

- (4) Water — Section 404 Regulations
- (5) Pesticides — Industry Use and the Public Eye
- (6) Chemicals — National Policy on Chemical Regulation