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Forest Owner

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1984

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SUNY COLLEGE OF
ENVIRONMENTAL SCIENCE
AND FORESTRY



March-April 1984

THE NEW YORK FOREST OWNERS ASSOCIATION

Editor
Evelyn Stock
5756 Ike Dixon Rd.
Camillus, NY 13031



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FRONT COVER

Front cover photo by Dr. Edwin Ketchledge of the SUNY College of Environmental Science and Forestry, Dept. of Environmental and Forest Biology.

Dr. Alan Haney a professor at Warren Wilson College, Swannanoa, N. Carolina, views Algonquin Mountain from Indian Falls, the most scenic spot in the Adirondack High Peak Region.

Part of the Macintyre Range, Algonquin is 5,114 feet high and is the second highest peak in New York State. Only Mount Marcy is higher.

Indian Falls is a popular camping spot for vacationers headed for the hiking trails on Mt. Marcy.

Welcome Our New Members

Adirondack League Club
P.O. Box 8
Old Forge, NY 13420

Dr. Hugh O. Canham
105 Primrose Lane
North Syracuse, NY 13212

Domenico Crachi, Jr.
3 Churchill Rd.
Northport, NY 11768

Anna R. DePue
3790 Breed Hollow Rd.
Horseheads, NY 14845

Ray Giltner
Route 1, Box 79
Nichols, NY 13812

Robert Goble
Route 1, Box 94
Nichols, NY 13812

Thomas M. Graber
491 Highgate Ave.
Buffalo, NY 14215

Rita Hammond
8415 Lewis Rd.
Holland, NY 14080

Edward Hanus
Box 80A
Lupton's Point
Mattituck, NY 11952

Dennis Hill
Shaver Rd.
Harpersfield, NY 13786

Wayne Horton
Route 1, Box 88
Nichols, NY 13812

Willard G. Ives
P.O. Box 115, RD #1
Troy, NY 12180

Mrs. A.W. Koon
RD #1, Koon Rd.
Auburn, NY 13021

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NEW YORK FOREST OWNERS
NYFOA Directors
As of November 1, 1983
(By date their terms expire)

1984

- *Robert L. Demeree
 - *David H. Hanaburgh
 - *James P. Lassoie
 - Harold Petrie
 - Norman Richards
 - *Robert M. Sand
 - Lloyd G. Strombeck
- *Will complete 6 years as Director.

1985

Ken Eberley
Richard E. Garrett
J. Claude LeCours
Mary S. McCarty
Douglas B. Monteith
Earl Pfarner
Paul Steinfeld

1986

Nancy Ferns Finegan
John W. Kelley
Alan R. Knight
Bill Lynch
George F. Mitchell
Al Roberts
Linda Thorington

New Members

Arnold Lester
RD #2
Groton, NY 13073

William H. Lynch
410 State Tower Bldg.
Syracuse, NY 13202

Dr. Robert Martin
Fletcher Point
Old Forge, NY 13420

Mark Rosiek
322 E. Bloomfield #3
Rome, NY 13440



The President's Message

Having just returned from a visit to Israel, perhaps a few observations about its land use and forests are relevant for NYFOA. The most obvious fact is the conversion of barren desert into productive farms and forests. We had noted this dramatic development on our first visit in 1962. I recall an excursion to the Dead Sea area, where most of the landscape resembles a moonscape. Suddenly, around a bend in the road, green grass, gardens, and trees hit the senses with a jolt as we drove into Ein Gedi, a kibbutz which had tapped the waters of desert springs. Water remains the magic key in this land, and the Biblical record illustrates this many times. Small wonder that this country pioneered in trickle-tube irrigation.

Tree planting on a large scale continues as a major undertaking. Most of the plantings have been pine, cypress, cedar, and eucalyptus, and these now make sizable forests. Here and there I saw loaded lumber trucks on the roads adjacent to forest plantations no more than 30 years old. Timber is also being cut as thinnings from some shelter belts and roadside plantings. Except for fast-growing eucalyptus, there were few big

trees, but much evidence of use of pole-size logs. It was nice to see many children's playgrounds with play equipment made from native pine poles. Most of the lumber is still cut from imported timber. A fascinating development is that old native hardwoods, such as oak and carob, which had been practically eradicated by grazing sheep and goats, have now begun to grow in among the plantings, which are often fenced.

One of our favorite places is a 500-acre landscape reserve, roughly halfway between Tel Aviv and Jerusalem, near the little town of Modin, birthplace of the Maccabees. Only about 25 years ago, a small private foundation known as Neot Kedumim, or Biblical Landscape Reserve, acquired title to this parcel, which had been completely eroded, containing only rock and sand. Now it is a network of gardens, each with a Biblical theme. For example, the Hill of the Menorah is an olive orchard, because the ancient golden candelabrum, or menorah in the Temple, was kindled only with pure olive oil. There are many Biblical references to the olive tree and its fruit, which produced the best illuminating oil in ancient times.

Plantings at the Biblical Landscape Reserve include cedars of Lebanon grown from seeds from one of the oldest cedars in Lebanon. These were grown to pole size on the Mt. Scopus campus of the Hebrew University and recently they were carefully moved and transplanted to Neot Kedumim in Modin. There are plans for planting other forest trees native to Mt. Carmel.

The attraction of Neot Kedumim is not only in its loveliness and its illustration of how human will can transform a wasteland, but also in its message that the Bible is rooted in the land. Not only are many of its parables and metaphors couched in botanical terms and related to the agrarian and pastoral lives of the people, but indeed the essence of man's relationship to God is in the quality of man's stewardship of the land and concern for its inhabitants. Consistently the Bible's message of God's blessings is phrased in terms of the earth's bounty.

—Paul Steinfeld
Gilead Tree Farm, Halcott Center, NY

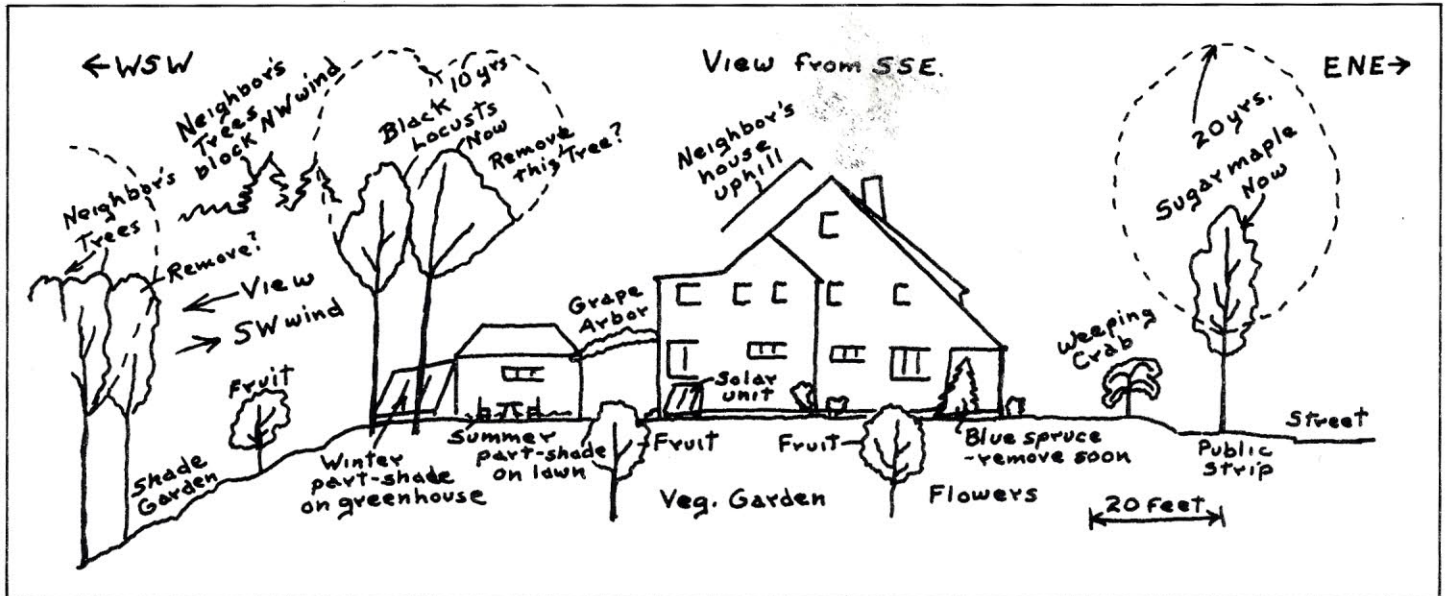
Letter to the Editor

American Christmas Tree Journal
Editor's Office: Philip H. Jones
Shelton, CT 06484
January 23, 1984

Hi, Evelyn:

Six hundred attended the 4th National Christmas Tree Conference in Springfield. Very, very successful — they came from as far away as Minnesota and Nova Scotia. Some walk-ins had to be turned away as we were way overbooked. At Dialogue II, 300 questions from the audience written out the day before were categorized and answered by a select panel. The trend in questions indicated a whole new generation of growers are just starting or thinking about it. Experts and old time growers readily agree the so-called glut will consist of inferior uncared for trees in the future. There may be an adequate supply of excellent quality trees in a few years. Choose and cut farms with well cared for trees should not be too fearful of a ready market.

Sincerely,
Phil Jones



Urban Forestry: TREES AROUND OUR HOMES

N.A. Richards

Trees on residential grounds make up a large part of the "urban forest," and tend to be most significant in the daily lives of residents. Good residential trees can increase real estate values, but most residents find that living with trees is a mixed blessing with benefits countered by costs ranging from minor annoyances to serious problems.

As noted also in my previous articles on urban forestry, space limitations are the major source of problems with urban trees. Large residential lots, over a half-acre, provide space for enjoyment of trees with minimum conflicts. On smaller lots where most of us live, careful planning and management is needed to achieve this. Problems arise and potentials are lost by casual attitudes in letting planted or naturally established trees set their own destiny, and assuming they will grow to fit our intentions. It becomes harder to make changes as trees grow larger, until they cause problems that force us to act. Large residential trees tend to be highly valued, but also have high liabilities both while living and when they must be removed. I suggest a very pragmatic approach in planning and managing residential trees to serve our purposes.

The potential and problems of trees on moderate-sized houselots are well illustrated by my home in Syracuse (note sketch). Our neighborhood generally has lots 45 to 50 feet wide and about 150 feet deep; slightly above average for the city. We chose a double lot, about $\frac{1}{3}$ acre, to suit my gardening

hobby and family enjoyment of outdoor living space. Its location on a hill with a southerly slope and view also affected our choice, although this makes our lot warmer in summer and windier in winter than we would like. Our lot obviously can benefit from intelligent use of trees.

Residential Streetsides

From a street-front view, public street trees combine with private trees in front yards to provide streetside values. Front yard trees can substitute where public streetside conditions are poor for trees, and vice versa. Most front yards on our street are about 25 feet deep; only enough space for small trees without interfering with the houses. But fortunately, the public strip on our side of the street is fairly wide and free of overhead wires, so it is a good site for large, long-lived street trees to impact both the street and the front yards.

Loss of large elms that once lined our street rather harshly exposed the diversity of house styles and conditions, although some people enjoyed the more open view of the neighborhood. The two replacement trees planted along our double lot are City trees, but the species choice, location, and care of these is critical to us. The choice of sugar maple, appropriate for this site, means that these trees eventually will dominate our front yard, but the full effects will be felt by some owner after us. The tree locations potentially impact utility services to our house, ice and slippery leaves on our driveway incline from the street, screening of the street-light from our front bedrooms, and the growth of ornamentals in our front yard.

Careful early training of the trees to good form should reduce future problems for both the City and us. A public/private partnership must be involved in management of these trees.

Trees and Residential Climate

My experience with use of trees to modify the physical environment of our lot has taught me three points so far: All the physical effects of sun, shade, wind, snowdrifts, noise, and visual screening, must be considered together and over all seasons; residential lots cannot be viewed in isolation from neighbors in considering these effects; and commonly there are no perfect solutions.

Large landscape trees are referred to as shade trees, but in our climate, their shade value applies to a small part of the year and the negative effects of shade extend over a longer period. Even deciduous trees must be used carefully in managing solar effects on a house. Bare hardwood branches can intercept much of the low-angled winter sun; as a generality about half that of the summer shade, and too much for our sun-starved winters in Central New York. Also, the idea that winter sunrays pass under tree crowns, while summer rays are blocked, applies only to tall trees with long clear stems; the trees block winter sun while growing to this form. Trees overtopping houses are most effective for summer shading, but are rough on roof maintenance. For our 2 $\frac{1}{2}$ story house, a tree large enough to shade the roof would be too dangerous to have near the house. Good attic insulation is safer and faster.

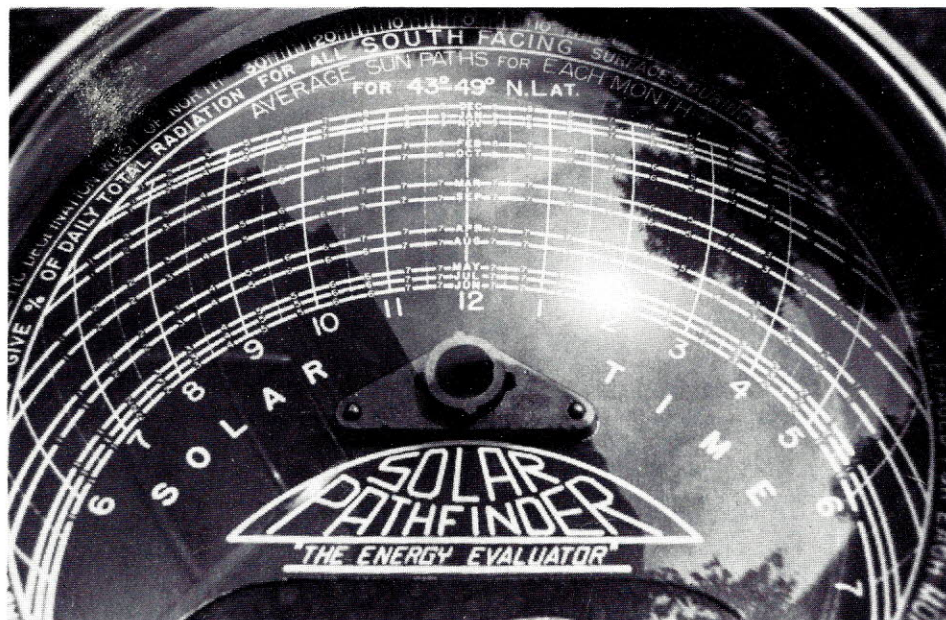
It is difficult to use trees well on the south sides of houses. We have opted for winter sun and view in our south

quadrant (SE to SW), and fortunately our double lot gives us some control over this. But our house is not well designed to make good use of solar access, and an ill-effect is that the house paint weathers twice as fast on these sides. The easiest way to use trees for summer shade on houses is at a safe distance directly east and west of the house. East trees can delay heating on summer mornings; west trees can shorten the more intense afternoon heating. One of the maple street trees will eventually give summer morning shade to our house. Our garage usurps the best spot for an afternoon shade tree, but beyond this, a neighbor's large walnut gives us late afternoon shade in mid-summer.

Shade and solar access can be managed more easily for outdoor living spaces than for houses. The southwest exposure of our back door lawn is pleasant in spring and fall but gets too hot in summer. To change this fairly rapidly, I planted three black locusts at the edge of the lawn; their location a compromise among several considerations. After growing nearly 40 feet tall in 10 years, they provide a nice patch of summer mid-day shade, but also cast some winter shade on my greenhouse. The fast-growing trees have required annual pruning to train them to the best possible form for our purposes, but also are easily replaceable. Having observed the problems from one of the present trees, I am now starting a new one in a better location for my greenhouse. The light crowns of shade-intolerant species such as locusts produce light shade in both summer and winter; we find their summer shade adequate in our climate, and their winter shade less troublesome than that of traditional shade trees such as sugar maple.

Our exposed lot could benefit from tree windbreaks. One usually thinks of evergreens for winter windbreaks, but deciduous trees and shrubs can also be effective in the right place. A porous windbreak of deciduous plants reduces wind speed by friction, causing a modest reduction for a distance several times the height of the break. A dense windbreak — dense trees or buildings — diverts wind over and around it; greatly reducing wind close-in, but less at a distance where winds eddy back behind the break.

Windbreaks are not all benefit: Reduced wind can settle additional snow and dust particles on an area, and cause uncomfortable heating at times. So the



Sun during the day and year at the backyard door of the author's home. The December timeline is nearest the top of the photo; the sun reflection shows that the photo was taken at 2 p.m. in July. Reflected objects would cast shade on this point at the times indicated: The house (left) casts morning shade latest in the summer; the young locust trees (upper right) are shading only in winter at this stage of their growth, while a neighbor's large tree (lower right) is screening summer sunsets.

location and form of windbreaks is a tricky matter on small properties. Large spruce and hardwoods on the other side of our neighbor's lot gives our lot a good break from northwest winds. Winter storms in Syracuse often come from the southwest, and we have space in our lot for a break from this direction. But instead, we have opted for a view, and concentrated on winterizing our house.

Tree and large shrub screens can reduce noise effects on residential lots by direct scattering of sound waves, by producing pleasant wind-sounds that partly cover offensive noise, and by providing a psychological screen from noise sources. There usually is not enough space on lots for tree mass to significantly reduce noise transmission by scattering, so the other factors may be more important — for example, in the effects of a large street tree in front of a house. Our neighborhood is about 50% tree-canopied, so perhaps all three effects are involved in our general impression that our lot is quieter when the trees are in leaf. All our neighbors' trees contribute to this.

Trees and Gardening

In our climate, trees conflict with gardening through shading and loss of moisture within a distance of at least half the height of the trees, while less intense effects of roots can extend much farther. I find options for shade gardening rather limiting in our area; they are bet-

ter farther south where the benefits of shade balance adverse effects for a wider range of plants. Although lawns of shade-tolerant grasses can be grown in at least moderate shade, they have low resilience for withstanding active use there. There is wide variation among trees in their effects on lawns: Norway maple is one of the worst because of heavy foliage over a long season; black locust is one of the best because of late leaf-out, light foliage, and as a legume, nitrogen fixation beneficial to grass growth.

Leaf litter from street and residential trees is certainly a problem, both for residents and for communities that must spend public money for their collection and disposal. I collect neighbors' leaves for composting in my vegetable garden. But in our cool climate, I am unable to maintain enough heat in leaf piles to compost them over winter, so I use them in the spring as part-rotted mulch that breaks down over the summer.

The dual role of ornament and food makes fruit trees attractive for residential lots. But fruit trees require an open area for sunlight and for air circulation to reduce diseases. The several fruit trees around my garden are a mixed blessing. They require good pruning, and control of the many insects and diseases, for good fruit; otherwise the drop of worthless fruit is a nuisance. I am unable to get good fruit without spraying, which is

New York Forest Owner TV Program

Set your clocks and call your friends!

March ~~12~~¹³ is the day and 6:00 a.m.
is the time. Channel 5, WTVH
is the station.

A half hour show will be broadcast on Channel 5 by the New York Forest Owners Association which will be of interest to forest owners and others interested in the future of our woodlands and managing them for greater enjoyment, use, and profit, for ourselves and our children.

The TV program will be aired Monday, March 12 and can be seen on WTVH Channel 5 at 6 a.m. in the following counties:

Broome, Cayuga, Chemung, Chenango, Cortland, Delaware, Erie, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Onondaga, Madison, Oswego, Rochester, Monroe, East Oneida, West Oneida, Utica, Seneca.



Promising New Treatment For Dutch Elm Disease

PHYTON-27™ is a new EPA registered treatment for Dutch elm disease prevention and control. It is the **only** product label-recommended for use in trees with more than 5% disease the first year, and in most cases it provides two to three years prevention, according to the manufacturer — Source Technology Biologicals, Inc.

Complete information, instructions and prices on PHYTON-27 and injection equipment are available from Source Technology Biologicals, Inc., P.O. Box 1984, St. Paul, MN 55111.

Arbotect-20 S Merck and Lignasan-BLP both have been used and proven. They are registered and widely used in the treatment of elm disease.

G. Lanier, Ph.D.
SUNY College of Environmental
Science & Forestry
Syracuse, NY



This honeylocust, over 140 years old and still healthy, is growing in the spacious garden of "Lorenzo," the John Lincklaen estate in Cazenovia. It may be the oldest surviving introduction of this species to Central New York from farther west in the country. Recently, honeylocust has been popular for planting in cramped downtown spaces in cities, but commonly, it does not live beyond 25 years on these sites.

odorous and leaves trees rather barren for insectivorous songbirds. My ratio of work to yield from our fruit trees must be charged largely to recreation. Fruit trees left to grow semi-wild for wildlife are best confined to the back of a lot.

The many factors that must be balanced in making good use of trees on residential lots call for considerable

foresight. It would be nice if trees could be moved around like furniture; I have done this with some of the smaller trees on our lot. But more practically, we need to observe and predict the values and problems of trees on our lot through the seasons — shade trees in December, windbreaks in July — before taking actions to improve these resources.

MARCH

*"The stormy March is come at last
With wind, and cloud, and
changing skies;*

*I hear the rushing of the blast
That through the snowy valley flies.*

*Ah! passing few are they who speak
Wild stormy month in praise of thee,*

*Yet though thy winds are loud and bleak
Thou art a welcome month to me.*

*For thou, to northern lands again
The glad and glorious sun dost bring*

*And thou hast joined the gentle train,
And wear'st the gentle name of Spring.*

*And in thy reign of blast and storm
Smiles many a long, bright summer day*

*When the changed winds are soft and warm
And heaven puts on the blue of May."*

—Bryant

Why Men Survive

"I do not believe the greatest threat to our future is from bombs or guided missiles. I don't think our civilization will die that way. I think it will die when we no longer care — when the spiritual forces that make us wish to be right and noble die in the hearts of men. Arnold Toynbee has pointed out that 19 of 21 notable civilizations have died from within and not by conquest from without. There were no bands playing and no flags waving when these civilizations decayed; it happened slowly, in the quiet and the dark when no one was aware . . .

"If America is to grow great, we must stop gagging at the word "spiritual." Our task is to re-discover and re-assert our faith in the spiritual, non-utilitarian values on which American life has really rested from its beginning."

—Laurence M. Gould

The Maple Borer

by Douglas C. Allen
 Forest Entomologist, College of
 Environmental Science & Forestry
 Syracuse, New York

and
 Lewis J. Staats
 Extension Specialist, Uhlein-Cornell
 Experimental Sugar Bush
 Lake Placid, New York

Few scenes distress a woodlot owner more than scarred tree trunks. This unsightly damage is of special concern to maple syrup producers, because a sugar maple's ability to produce sap is, for the most part, determined by tree vigor and general health. The sugar maple borer rarely kills trees, but it can be a major cause of trunk and crown damage in sugar bushes. In some regions, incidence of borer activity is low, but in many areas, 25 to 50 percent of the sugar maples may be attacked. Recognition of borer damage and an understanding of the ecological conditions that favor the insect will help woodlot owners reduce the economic impact of this pest.



Figure 1. Sugar maple borer adult.

The adult sugar maple borer is a black beetle distinctly marked with bright yellow bands of varying width and shape (Fig. 1). The beetle is approximately one inch long, and it belongs to a group commonly referred to as long-horn beetles, a name evoked by the unusually long antennae, or feeler-like structures, that are attached to the beetles' head.

The beetle deposits one to a few eggs in crevices or holes that it chews through the bark, usually on the basal 20 feet of a tree trunk. Many trees are probably used for egg laying, but the

more vigorous ones are able to overcome the newly hatched larvae. Following egg hatch, the white, grub-like larva (Fig. 2) enters the tree and feeds beneath the bark. Eventually it excavates a

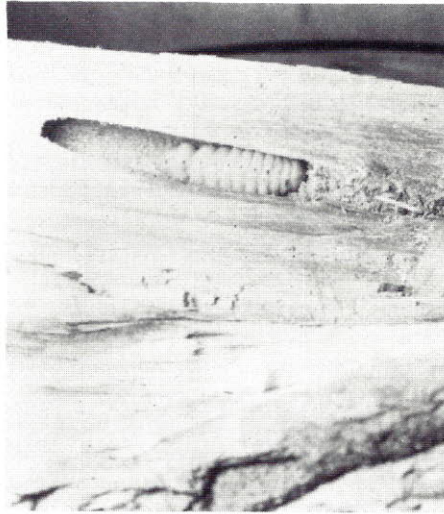


Figure 2. Larva of sugar maple borer in the overwintering cell.

shallow transverse or oblique feeding gallery in the sapwood and inner bark (Fig. 3). As a result of this girdling, which is similar in effect to the damage caused by an axe blaze or logging scar, large branches above the feeding site may be killed. This is important to sugar bush operators, because the amount of sap produced by a tree is primarily a function of crown size. Larval feeding also destroys inner bark tissues in a large area adjacent to the site where feeding actually takes place. A large cat-faced scar or area of exposed wood is often produced (Fig. 3) and a significant portion of the tree trunk may be rendered unusable for tapping. Sugar maple borer scars are not always easy to detect. Sometimes they are conspic-



Figure 3. Damage caused by larval feeding. Arrow indicates transverse feeding gallery.

uous, but often the damage is hidden beneath slightly cracked and loosened bark (Fig. 4). The presence of the larval gallery engraved on the surface of the exposed sapwood (Fig. 3) distinguishes scars caused by sugar maple borer feeding from scars that are caused by other agents, such as fungi.

The borer requires two years to complete development from egg to adult. In preparation for overwintering during the second year, the fully grown larva excavates an oval, 3/8-5/8 inch diameter gallery that penetrates the sapwood to a depth of 2-4 inches (Fig. 2). This may severely degrade the first board that is sawn from that part of the log. In addition to this physical damage, borer attack stimulates a physiological response in sugar maple that protects the tree, but may further reduce the quality of lumber cut from previously infested saw logs. For example, chemical barriers and callous tissue develop in the vicinity of borer injury. This is the tree's way of compartmentalizing the damage to prevent invasion of healthy tissue by wood-inhabiting microorganisms. The callous imparts a twisted grain to newly formed



Figure 4. Appearance of loosened and cracked bark that often conceals borer damage (arrows).

wood adjacent to the wound, while the chemical barrier results in a mineral stain, giving an undesirable color to lumber cut from the injured portion of the log.

Recently completed research at the State University of New York, College of Environmental Science and Forestry, showed that successful sugar maple borer attacks are generally limited to sugar maples that have been stressed and are in a weakened state. For the maple syrup producer, a program of proper sugar bush management that encourages maximum sap production, rapid growth and vigorous trees will

help to reduce the incidence of damage. For example, proper thinning of stands during the highly susceptible pole timber stage, when tree diameters are between 5 to 11 inches, is especially important in a program of preventive maintenance. If saw timber is the management objective, removal of previously damaged trees is also recommended to improve the quality of the residual stand and allot growing space to sound, and presumably, more valuable trees.

The sugar bush operator should use careful judgement, however, before condemning a tree. It is not necessary to remove sugar maples at the first sight of damage. As long as a tree pays its way in terms of sap production, it should be preserved.

Deducting Lost Timber From Your Income Tax

Losses not compensated by insurance or other means may be deducted from ordinary income the year of the loss (Section 165 IRS Code). There are two kinds of deductions under this section.

A non-business casualty deduction is allowed only if it exceeds 10 percent of an individual's adjusted gross income plus \$100. It must be claimed as an itemized deduction.

A business or investment casualty loss may be deducted in full without meeting the 10-percent-plus-\$100 test. It may also be subtracted directly from gross income without itemizing deductions. Timber holdings used as business property or at least an investment can come under these less stringent rules.

The loss must be *sudden and unexpected* with emphasis on suddenness. Timber first damaged by fire and then gradually destroyed by insects or disease would result in the fire being a casualty loss, but with the insect or disease infestation not being deductible.

Common losses that are deductible would be from fire, sleet, hail, ice storms, hurricanes, tornados, floods and wind. There have even been cases resulting from plane crashes, automobile accidents and similar events.

Disease or insect infestations leading to damage or loss generally have not qualified as a casualty loss, but there have been some exceptions recognized such as fatal damage to ornamental trees by southern pine beetles.

Damaged but still usable timber cannot be considered a loss under IRS rulings. Usable timber should be salvaged

and the gain or loss from the salvage determined using the same procedures as a normal sale.

Some relief from tax on salvage income is possible under a 1980 IRS ruling. This permits a deferment of the federal income tax on any portion of a gain attributed to a timber salvage sale if the gain is reinvested in qualified replacement property. Replacement property has been considered to be standing timber, bare timberland, timberland and timber, capitalized reforestation costs on land purchased after the loss, and capitalized reforestation costs on land owned prior to the casualty. The reinvestment must take place within two years.

Sometimes there is no adjusted basis and therefore no deduction. For example, natural growth "old-field" timber in which the owner has no cost. The wood may have a high market value, but the basis is zero.

If a landowner loses only part of his timber, the deductible loss must be computed by formula as in this example: assume that a tract of timber had been purchased in 1968 for a total of \$20,000. The purchase price was allocated as follows: \$12,000 to land and \$8,000 to timber. In the spring of 1983 the stand was damaged by a tornado. No timber had been cut nor cap-

ital improvements made since the purchase, and a late 1982 cruise showed a total salable volume of 240,000 board feet. The tornado rendered 100,000 board feet worthless with no salvage value. The depletion unit equals \$33.33 per thousand board feet (\$8,000 divided by 240) and the deductible loss is therefore \$3,333 (\$33.33 multiplied by 100). The loss is taken on the 1983 income tax return.

For young timber, acres can be used instead of volume measurements. The measurement of value is based on the cost allocated to establish the young growth. In all cases losses must be established by fair and reasonable measurement. Good records and photographs are helpful, newspaper clippings reporting the destruction and other documentation. If you think you have a loss, it would be wise to employ a consulting forester to examine the timber to determine the loss.

The form used to file a casualty loss claim is IRS Form 4684 "Casualties and Thefts." For more information consult IRS Publication 437 "Tax Information on Disasters, Casualties and Thefts." These should be available from your local IRS office.

—The American Tree Farmer
November-December 1983

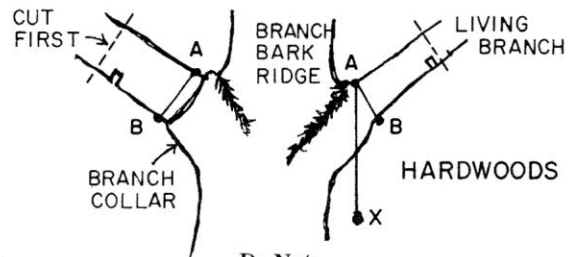
Natural Target Pruning

Dr. Alex Shigo of the Northeastern Forest Experiment Station has studied tree decay for many years and has developed pruning instructions that promote wound healing and minimize decay.

According to Shigo, the best time to prune is in the late dormant season or early spring before leaves form. His recommendations follow:

Natural Pruning Steps

1. Locate the branch bark ridge.
2. Find Target A, outside of branch bark ridge.
3. Find Target B, swelling where branch meets branch collar.
4. If B is hard to find, drop a line at AX. Angle XAC = angle XAB.
5. Stub branch to be pruned.
6. Make cut at line AB.

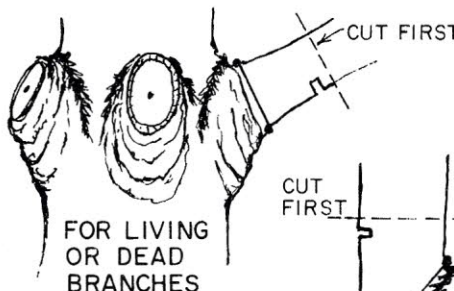


Do Not:

- *Cut behind the branch bark ridge.
- *Leave stubs.
- *Cut branch collar.
- *Paint cuts, except for cosmetics.
- *Leave flat top when topping.

Best Time to Prune:

Late dormant season or early spring before leaves form.



To Remove Top:

Cut line DE at an angle approximately the same as the angle of the branch bark ridge.



For more information write: Dr. Alex Shigo, Northeastern Forest Experiment Station, P.O. Box 640, Durham, NH 03824.

FOREST Bookshelf

A Guide to Federal Income for Timber Owners. U.S.D.A., Agriculture Handbook No. 596. Fee: \$4.75.

Farmer's Tax Guide, publication No. 225, update annually. Fee: Free.

The Timber Owner and His Federal Income Tax, U.S.D.A., Agriculture Handbook No. 274. Fee: \$1.40.

Information about timber taxes is available from: The Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Many Forest Landowners Pay Too Much Income Tax: Do You? General Report SA-GR 18, revised January, 1981, United States Dept. of Agriculture, Forest Service, Southeastern Area, Atlanta, GA 30367.

Women in Forestry. Topics pertaining to the growing number of professional women engaged in forestry and its related fields are covered in "Women in Forestry," a journal that is published quarterly.

It provides information for women on subjects related to the natural resource professions and associated social science fields, the use and conservation of natural and cultural resources, and issues of administration and personnel of special interest to women.

The publication contains a variety of articles, reviews, and announcements for and by women professionals. Subscriptions for the journal are \$15 per year for non-students and \$10 per year for students. Subscription orders may be sent to: Editor, Women in Forestry, Laboratory of Anthropology, University of Idaho, Moscow, ID 83843.

Gypsy Moth Regulations. The Animal and Plant Health Inspection Service of the U.S. Department of Agriculture has issued a booklet, "Don't Move Gypsy Moth," which explains to homeowners a new regulation designed to restrict the interstate movement of the gypsy moth.

The 12-page color illustrated pamphlet includes maps showing high and low risk areas and non-regulated areas. The text and photos discuss the problem of the gypsy moth, its life stages, and how to prevent the spread of the

pest into new neighborhoods.

Particular attention is devoted to ways to inspect for presence of the gypsy moth, do-it-yourself inspection techniques, a check list of items to inspect for egg masses and what to do with them once they are discovered. The publication also provides sources of additional information about the new regulation concerning interstate movement of outdoor household articles from areas infested by the gypsy moth.

Free, individual copies of "Don't Move Gypsy Moth" may be obtained by writing to: APHIS Distribution Service, Rm. G187, 6505 Belcrest Road, Hyattsville, MD 20782.

ATTENTION! All Forest Owners PROPOSAL

Officially, the State **Forest Practice Board** is proposing to draw all $\pm 300,000$ forest owners in New York State into a proposed Empire Forest Association. A part-time Executive Secretary would be hired to do this. The Department of Environmental Conservation has appropriated \$15,000.00 the first year, \$10,000.00 the second year and \$5,000.00 the third year to pay for this Executive Secretary. Dues would be \$15.00 per year. Members would be offered a Comprehensive Liability Insurance as follows:

Charge	Coverage
\$ 75	\$100,000
\$100	\$200,000
\$150	\$300,000

The motivations behind this proposal are somewhat obscure. The legal position seems to be that the FPB can do this but the DEC cannot. The DEC (Dan Weller) has a low opinion of the effectiveness of the FPB, but must use the FPB to attain some objective not entirely clear. Apparently, the FPB and DEC would like to use the NYFOA as a nucleus for this Empire Forest Association and absorb it into the EFA. The NYFOA has had some communication with DEC through Carl Wiedeman and Dan Weller. The NYFOA has had some communication with the FPB through Mike Demeree and Sally Bogdonovich. Communication has been neither frank nor comprehensive, nor has the full membership of NYFOA been involved.

For the first 5 years of its existence (1963-68), the NYFOA was provided an executive secretary (Floyd Carlson

and his secretary) by the N.Y. State College of Forestry at Syracuse. When Floyd retired, this service was discontinued. Since 1968 the NYFOA has been supported and operated entirely by its membership. It is a strong self-supporting organization. It operates on an annual budget of about \$8,000.00 of which the "Forest Owner" consumes about \$5,500.00. We have a reserve of about \$6,000.00. We are operationally efficient and financially sound. In the light of the strength and substance of the NYFOA, the Empire Forest Assn. has a "Pink Elephant" appearance.

Over and above the real motivations for this proposal, the NYFOA would be reluctant to be so absorbed by a mythical Empire Forest Association.

What does the DEC expect to get for the \$30,000.00 three-year contribution? It would cost less for DEC to get 4,000 new members to join the NYFOA. The NYFOA could then support its own executive secretary, and it would still be independent of the FPB and DEC.

This proposal requires an expression of opinion from the entire membership. Send your opinions to the Editor of the Forest Owner. —David H. Hanaburgh

Something New Has Been Added Advertising

The *New York Forest Owner* will have a new feature in future issues. *Advertising*. Our membership is spread over all parts of the state as well as twenty-two other states and three foreign countries.

We can help build your business through our service.

Few things can unify individuals more successfully than planning together to reach a goal that no one could reach alone. It means they share desires, ideas, effort and most likely, achievement.

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Many Forest Landowners Pay Too Much Income Tax: DO YOU?

United States Department of Agriculture
Forest Service Southeastern Area

General Report SA-GR18
Revised January 1981

What Income is Taxable?

In the first place, probably only 40 percent of your net timber income is taxable. If you're like most forest landowners in America, your net income from the sale of standing timber can be treated as long-term capital gains — if you have owned the property at least 12 months and meet certain other requirements. But remember, the time to think about your income tax is before — not after — you sell your timber.

To be eligible for capital gains benefits, you must qualify under one of the following three categories. If you qualify for more than one category, find out which one best fits your situation. This is a key factor in receiving capital gains benefits.

1. Lump-sum Sale. This is for landowners who are not in the timber business and who sell their standing timber on a lump-sum basis. In other words, you sell standing timber outright for a fixed sum, agreed upon in advance. But remember, you don't have to own a sawmill or other manufacturing concern to be classified as being "in the timber business." Many times the deciding factor is how often you make a sale! You should check very carefully before you sell your timber on a lump-sum basis because of the danger of losing capital gains tax benefits.

2. Sell as Cut. This is for landowners who sell their timber under a cutting contract, whereby the timber is sold at the time it is cut. Under this arrangement, timber is sold on a unit basis (board feet or cord, for example), and payment is made only for those units actually cut. Be careful about this! The cutting agreement has to be worded correctly to qualify the income for capital gains treatment. See a tax expert. The advantage of this category is that you can be classified "in the timber business" and still qualify for capital gains benefits.

3. Use in Own Trade or Business. Landowners who cut their own standing timber and sell sawlogs, poles or pulpwood as a part of their trade or business can claim capital gains benefits under this category. This is also for land-

owners who cut their own timber and use it in their trade or business (a sawmill owner, for example). In either case, though, *owners must cut their own timber.*

Examples:

You are about to sell timber that was established 30 years ago and feel it would be easier to make a lump-sum sale. You have made only two thinning sales in the past, so you may consider selling your timber on a lump-sum sale and file under Number 1, as shown above.

If you have made timber sales on a frequent and regular basis in the past and are ready to make another one, sell your timber on a "sell as cut" basis. This way, you will be assured of capital gains treatment if you follow the necessary steps mentioned previously under Number 2.

If you cut your own standing timber and sell logs or some other product, you would file under Number 3, above.

Expenses of Sale

Remember, the amount you receive from the timber sale may not be your net income. It's not all clear profit if you have certain types of costs or expenses. You can deduct "expenses of sale" such as:

- tree marking expense
- scaling costs
- cruising costs
- consulting fees
- temporary road construction and improvements connected with the sale with a useful life of one year or less.

Capital Expenses

You can recover "capital expenditures." These costs are capitalized and recovered as the timber is harvested. Examples are:

- Purchase price of timber, including survey and legal fees. But don't forget, you have to determine the value of the land at the time of purchase and subtract that amount to know the purchase price of the timber.
- Site preparation, including removal of existing vegetation.
- Tree planting, including wages, tools and equipment.

Operating Expenses

You can deduct "operating expenses" incurred each year, such as:

- Cost of tools of short life or small cost
- Equipment maintenance costs
- Salaries, wages and professional fees (excluding your own time)

- Interest on mortgage payments connected with the timber
- Certain taxes connected with the timber
- Depreciation allowance for equipment.

Reforestation Tax Incentives

On October 14, 1980, Public Law 96-451 was enacted which includes new reforestation tax incentives. The reforestation incentive is a 10-percent, investment tax credit plus a 7-year amortization on the first \$10,000 of capitalized reforestation expenditures each year. The incentive applies to qualifying reforestation expenditures incurred after December 31, 1979. **Therefore, capital expenditures for reforestation after 1979 that qualify under Public Law 96-451 can be recovered over a period of 7 years instead of when the timber is harvested, as described earlier in this article.**

Casualty Losses

What does the Internal Revenue Service consider as a casualty loss? A casualty is the complete or partial destruction of property resulting from an identifiable event of a sudden, unexpected or unusual nature. Ice storms and hurricanes cause casualties. So do forest fires, sleet storms, hail, and floods. Death of trees from insect or disease attacks may not result in a casualty loss on business property, but death of trees on residential property usually qualifies. However, you should check with the Internal Revenue Service or a tax expert on possible new developments on casualty losses before filling out your tax return.

Tax laws on timber casualty losses become more understandable if you remember one important principle: to deduct a casualty loss, proof of a casualty — flood, hurricane, etc. — is necessary as well as proof that your loss occurred directly as a result of the casualty. Take photos and save newspaper clippings as proof of the casualty. Keep sales receipts, contracts, appraisal documents, or other verification of your property's value.

Casualty loss deductions are limited to the owner's adjusted basis in the timber. This is the total capital investment minus those capital expenditures previously recovered through either timber sales or other casualty deduction. Worth of the timber on today's market has nothing to do with the casualty loss for income tax purposes (except where the fair market value is less than the owner's cost). For example, suppose

your entire timber stand, worth \$100,000 on today's market, is destroyed. The unrecovered capital investment in the timber, say, is \$50,000, counting tree planting costs and other capital expenditures over the years. The deductible casualty loss would be limited to \$50,000. If you lose only part of your timber compute the loss as follows:

1. First, divide your adjusted basis on the timber by the number of board feet or other units of timber in the tract. This gives the adjusted cost per timber unit. The Internal Revenue Service calls this the depletion unit. In the case of young plantations, acres can be used instead of board feet or cords.
2. Multiply this figure by the volume of timber or number of acres destroyed. This is the deductible loss.

Of course, if the insurance or salvage value received by the owner is equal to the amount lost, then the owner has no loss, for tax purposes.

Revenue Ruling 80-175

On July 7, 1980, the Internal Revenue Service rules that if timber downed in a hurricane is salvaged and sold, the tax on the gain will be deferred if the proceeds are reinvested in reforestation on the same land or on qualified replacement property. The ruling specifically covered earthquakes and volcanic losses, but logically would encompass all casualties. Replacement property would likely consist of standing timber, bare timberland, timberland and timber, reforestation costs on land owned before the casualty, or reforestation costs on land purchased after the casualty.

Summary

In summary, be prepared to show proof on five points:

1. Nature of casualty and when it occurred.
2. The loss was the direct result of the casualty.
3. Ownership of the timber.
4. Cost of the timber and other expenditures.
5. Amount of insurance or salvage income received or recoverable.

Record Keeping

Capital gains and tax deductions point up the value of record keeping to the timber owner. Bookkeeping needn't

be complicated. All that's needed is an orderly listing of original costs and expenditures as they are made, backed up by appropriate receipts.

Examples:

1. Cost of timber to you — purchase price of property less cost of land and improvements. Volume at time of purchase.
2. Establishment costs — site preparation and tree planting.
3. Cost of management services such as consulting fees.
4. Cultural practices which improve the quality of your timber stand.
5. Timber sales receipts.
6. Up-to-date volume (Periodically adjust for growth.)

If you feel you qualify for any of the benefits discussed here, you should seek additional information. Some sources are:

Your State forestry agency
Consulting forester
Qualified tax consultant
Extension forestry departments of your land-grant university
Local or district offices of the Internal Revenue Service.

Cost-Share Payments

Cost sharing payments are available from the Federal Government through the Agricultural Conservation Program (ACP) and the Forestry Incentives Program (FIP) for such practices as site preparation and tree planting and timber stand improvements. The Revenue Act of 1978 and the Technical Corrective Act of 1979 provided that cost-sharing payments associated with capitalized reforestation expenditures would be considered tax-free income. If the cost-share payment is related to timber stand management expenses, the payment must be included in gross income. However, because a deduction may be allowed for such expenses, the net effect may be identical to the exclusion from gross income applicable to reforestation expenses.

The tax-free income provision of the Revenue Act of 1978 applies to those cost-share payments which are determined by the Secretary of the Treasury as not increasing substantially the annual income derived from the property. As of this writing, the Treasury Department has not ruled on whether FIP or ACP payments substantially increase

the annual income derived from the property. Until the ruling is provided, the Technical Corrective Act of 1979 allows you to treat cost-sharing payments for reforestation expenses as tax-free income. Check with a tax expert for the latest developments.

Important: If you have failed to claim any of the benefits or deductions explained in this article during the past 3 years, you still have time, in many cases, to file an amended tax form and seek reimbursement.

Prepared by Keith A. Utz, Forest Finance and Taxation Specialist, Southeastern Area, USDA Forest Service, Atlanta, Ga. 30367.

NEW DIRECTORS?

Anyone interested in being a Director of the New York Forest Owners Association is invited to write to David H. Hanaburgh, Box 122, Buchanan, New York 10511.



A state-police colleague of mine once received a call from a woman who asked him how to baste a turkey. After a stunned moment, he, being a fairly good cook, described the procedure.

Then he asked, "But why would you call the state police to find out how to baste a turkey?"

There was only a slight hesitation before she replied, "Well, you knew, didn't you?" and hung up.

—Reader's Digest, 12/83



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ON THE CALENDAR

March 10, 1984:

Meeting, Board of Directors, 10:30 a.m., D.E.C. Office in Binghamton.

March 12, 1984:

6:00 a.m., Channel 5 WTVH, Forestry Program by New York Forest Owners.

April 24-26:

Forest Management and the Spruce Bud-Worm, Burlington, Vermont.

April 28:

New York Forest Owner's Annual Spring Meeting in Ithaca.

June 5-7:

Second New York Forestry Congress, "Managing Conflict in Forestry" at College of Environmental Science and Forestry in Syracuse.

August 17, 18, 19:

New York State Woodsmen's Field Days at Boonville. The New York State Woodsmen's Field Days, Inc. will be sponsoring the largest attended forest industry show in the northeast. In conjunction with this weekend, they print a 9" x 12" souvenir-type program which is read by attendees at the field days and disseminated after the weekend throughout the northeast.

Sept. 17

Fall Meeting, Sagamore, on Racquette Lake.

Sept. 20, 21, 22:

Live Feed Show (live forestry exhibition and demonstration) at The Arnot Forest, Cornell University.

ASK A FORESTER

by AL ROBERTS

RD3, Box 7
Cortland, NY
2/2/84

Dear Evelyn,

The following letter was sent by the Board of Directors to protest the proposed cutback of the DEC Forest Ranger force from 88 (the corrected figure) to 38. The latest news is that Commissioner Williams has arranged a compromise whereby no one will be fired, but the cutback will be accomplished through retirement, death, etc. Even the compromise is unacceptable, as the total force now in place is needed. If any of the members care to support this position, they could write to Governor Cuomo and Commissioner Williams. Williams' address is: Commissioner Henry Williams, 50 Wolf Road, Albany, NY 12233.

Sincerely,
Al Roberts

January 30, 1984

The Honorable Mario M. Cuomo
Governor of New York State
Executive Chamber
State Capitol
Albany, NY 12224

Dear Governor Cuomo:

I am writing you at this time on behalf of the New York Forest Owners Association. As you probably know, this organization represents the forest owners of New York State who own 90 percent of the 18 million acres of forest land in the State.

We would like to state that our organization is strongly opposed to the proposed cutback in the Forest Ranger force from 83 Rangers to 33. This force is already small enough considering it is charged with care, custody and control of 3 1/2 million acres of State owned forest land and has responsibility for fire control and Search and Rescue on the whole 18 million acres.

Our organization feels that the presence of Rangers on our State and private land is a strong deterrent against theft of standing forest products and arson in the forest lands and they also serve as experts in the area of Search and Rescue. A reduction in the force will mean a reduction in protection and care and custody on our forest lands.

We also strongly feel that this is another example of cutting at the lowest levels, the people who actually perform the jobs across the State while not addressing the problems of a burgeoning bureaucracy at the middle management level; simply another case of too many Chiefs and not enough Indians.

We wish you would address this matter carefully and give it your greatest consideration and reverse the proposed cut of this very worthwhile group of dedicated personnel, who have for many years served the forest resource and the people of the State of New York.

Thank you for your consideration.

Sincerely,

A.W. Roberts, Jr.
Acting President, NYFOA

cc: Commissioner Williams