The effective utilisation of the greatly expanding forest resource which will become available in the last decade of this century is one of the most interesting challenges we have ahead of us. Quite apart from the very real prospect of utilising at least part of the crop in totally new developments, the traditional avenues must play a major part in the utilisation, and it is on these that I will concentrate my remarks. I am glad I have been invited to represent "integrated industry", because I believe it is largely in the integrated industry approach that the best solution lies.

Before speaking on the consequences for marketing, I would like to offer a few comments on the consequences for utilisation. Other speakers have addressed you on the consequences for various factors including energy and capital, and I am not trying to redeliver their papers for them. I would, however, suggest the need for New Zealand to recognise that, as well as having a greatly expanding forest resource, it also has an abundant supply of energy in both renewable and non-renewable forms. The blending of these two resources offers the greatest potential for the future, and our utilisation plans should involve the maximum processing of the wood resource in New Zealand. We cannot afford to grow trees and merely sit and admire them; they are a utilisable crop and must be treated as such. Equally, we should not think solely in terms of cutting them down and selling them as logs on export markets. The extra value which New Zealand can earn from the sale of processed products is too important to lose, quite apart from the benefits to be gained in our own economy from the employment, servicing and investment opportunities that processing will afford.

I wish to turn now to marketing. An integrated industry is itself an amalgam of various products, so the marketing consequences, similarly, will be the sum of the consequences for these individual products. Let me, therefore, just make a general statement of my views on marketing consequences and then try to indicate why I think the integrated industry offers the optimum solution.

Radiata pine will be the predominant source of wood available in New Zealand, and developments in the utilising in-

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dustry to date have shown the wide variety of uses for which that species is suitable. The Southern Hemisphere must increasingly become the world’s supply source of softwood as the availability and (importantly) accessibility of Northern Hemisphere supplies decline. Despite the increased utilisation of hardwood species in other parts of the world, and the increased usage of recycled fibre in a wide range of products, there will be a growing market for the strong, long-fibred products which radiata pine produces. There is excellent potential for New Zealand to take full advantage of the benefits she enjoys in growing radiata pine.

Integration in the forest utilising industry gives two major advantages:

1. The maximum utilisation of the wood input. The raw material for one process is frequently the by-product of another, with a consequent improvement in efficiency.

2. The greatest flexibility of market selection. Reduced demand in one product area can be compensated for by deflecting production to a product where demand is stronger.

The major market for the products produced from the increased wood resource will be overseas; we must give ourselves the greatest ability to direct both the type of product and the market area if we are to achieve the maximum return.