

can find a ready and eager market. Comparisons have been made with the uplands of England where the Secretary of State for the Environment and the Minister of Agriculture, Fisheries and Food have decided that the planting of forests consisting predominantly of conifers will not normally be allowed. Some commentators have called for a similar decision to be taken for Scotland. I see no justification for such a step. Scotland's uplands form three-quarters of its land area compared with only one-quarter in England; it is my belief that we can encourage forestry to develop further in the Scottish uplands in a way which takes the environmental interests fully into account.

As well as forestry and agriculture, I also have tourism in my portfolio. Mature, well-designed forestry schemes play their part in adding richness and diversity to the Scottish countryside. The Forestry Commission has gone out of its way to encourage people to visit and enjoy its forests, not only in creating Forest Parks—which themselves attract visitors in their tens of thousands—but by their network of visitor centres, viewpoints, forest trails and camping sites. I know that many of the Commission's sites have won prestigious awards which bear testament to their design and popularity. The visitors to Forestry Commission forests run into many millions per year. Their visits range from merely walking in the woods to those who use the Commission's commercial recreation facilities, which show a healthy return on investment. Of course the Commission has a depth of experience to call upon in encouraging public access to its forests and a high profile here has helped to bring about a wider appreciation and understanding of the multiple-role which forestry can play. In this particular area, the signs are that the private sector is prepared to play its part, but it has a bit of catching up to do, and I hope that at the very least more woodland owners will be prepared to open their forest gates to members of the public. Do not underestimate the value of attractive forests to tourism and recreation, and equally do not underestimate the benefits that tourism and recreation can bring to forestry. The public's perception of our forests and what they have to offer will matter very much in the future.

I see no reason whatsoever why forestry should not continue to expand steadily in Scotland. It is already an important industry, creating thousands of jobs and supporting a considerable amount of downstream processing, and it will become more important in the future. People still speak of the traumas of recent changes, but I am sure you are channelling your minds along positive lines. The opportunities are there and exciting new initiatives are beginning to show. Substantial Government support is in place, and now it is up to you. You cannot expect the Government to do it all for you. What I will certainly be looking for is constructive thinking on the way ahead, and evidence that the excellent opportunities for forestry in Scotland have been recognised and will be seized.

My message therefore is—you have the understanding and the encouragement of this Government—so go to it!

## DISCUSSION

*Roger Can (Chairman)*

It is the intention that we should lead the questions and discussion by a person nominated by the Royal Scottish Forestry Society from the floor and I am calling on Mr Bloomfield to do that. Mr Bloomfield comes from the other side of industry and he wears many hats but one is to represent the processing side of forestry industry.

*Mr A. Bloomfield (Caberboard)*

Chairman, I very much welcome the positive response from Lord Sanderson this morning with regards to forestry and the forest industry generally. As a processor and as representing large-scale wood processors, we are concerned regarding the loss of confidence in forestry planting in certain sectors due to the recent changes in taxation and the forestry grant situation. It is very reassuring and very necessary that Government is monitoring the situation closely. We as processors also view any possible diminution in the rate of planting for a period of X years until adjustments are made as being very negative, and the situation developing—where a window of lost production appears at a future point in time, which could cause problems to a wood processing industry. I certainly welcome Lord Sanderson's point regarding the constructive debate that ought to take place between industry and the Government and I think various processors have always been very anxious that that situation should occur. As has been indicated, the general increasing processing capacity has very much market driven the situation in the UK as one where we have a very large proportion of imports and there is ample scope for import substitution, and ridding the limiting factor to an increase in this import substitution over the next few years is really the important area of wood availability, so we come back to planting. It is very important of course to get the very clear signal of Government's commitment this morning to the industry of long term investment, with the confidence coming from the Government being instilled into the industry. I think it is very necessary that forest planting does go ahead, but importantly that it does go ahead as has been indicated taking account of other land uses and interests, and Lord Sanderson this morning has indicated a number of areas in which that situation can be improved. I am sure that as processors and also in the area of private woodlands there are improvements to be made and some initiatives to pick up. I would ask therefore that the planting situation is monitored very closely indeed and following from that that a positive response is made to the situation if it seems necessary.

*Lord Sanderson*

I think that you have raised some very important points. I am glad that you as a processor are satisfied with the line that I have taken this morning. I am very encouraged by the determination of the industry to look at the future. I think perhaps in the past the different sections of the industry have looked at the problems separately and I notice over the last twelve months there is definitely a mood to look at it as one. This gives the Government a great deal of encouragement because it can say ah! the whole industry and that means the processing industry as well as the planters are saying X or Y or whatever the things may be. However, I am only too aware, having been in industry myself, that the accurate forecasting of supply is something that one has to build one's investment decisions on and that is why, although it has been an enormous sea change decision of a budgetary nature that the Government has taken, I tried to indicate also that it would perhaps come anyway with such a sizeable reduction in the top rate of tax which would make people influence their decisions as well, but I welcome what you say. Yes indeed we shall monitor; we shall listen; we shall try to get to the right answer, but I do think that with the industry as a whole looking at the problems it faces and you knowing very