CHAPTER II—FOREST POLICY

National Pulp and Paper Project

(1) The decision in principle taken by the Government to proceed with the establishment of an integrated sawmill and pulp and paper mill at Murupara, on the Rangitaiki River, in the Rotorua Forest Conservancy, is a fitting climax to a quarter of a century of imaginative planning, sustained research, and faith and perseverance by the Forest Service in the development of the first sawmill and pulp and paper plant of economic size—as judged by world standards—to be established in the Dominion. It will be to New Zealand what Broken Hill is to Australia. As it is likely to be the most important implementation of policy planning for the next fifty years, it is appropriate to review the various developments leading up to the Government's decision.

(2) In 1925 a prominent technician in the world wood-pulp and paper industry in the person of Mr. William Adamson visited New Zealand, inspected the Forest Service stands of insignis pine and other softwoods established in the early years of the century, and studied the woods yielded by these various species. As Technical Director of Walmsleys Ltd., of Bury, England, the largest paper-machinery manufacturers in the Empire, Mr. Adamson had been associated with the designing and building of some of the most famous pulp and paper plants in the world, including the enormous Cornerbrook operation of Bowaters Ltd. in Newfoundland. He had also been responsible for the supply of paper machines to many other important mills not only in Great Britain and North America, but in Finland, Russia, Japan, and many other countries, including Australia and New Zealand.

(3) After a careful and searching examination of the transport problems in the Rotorua Forest Conservancy, including the Bay of Plenty district, and of the forest, water, power, and fuel potentialities of the region and surrounding districts, he recommended—

(*a*) That the pulp and paper making properties of the exotic softwoods be determined, more especially for newsprint because of the relatively large quantities consumed and imported, but also for kraft and other products;

(*b*) That in the event of promising results being secured, the Forest Service plans for exotic-forest establishment should be appropriately expanded on the premise that there will be an ever-increasing demand for newsprint and other papers;

(*c*) That owing to the extremely high capital investment involved in pulp and paper enterprises a greater variety of species should be planted, and the enormous proportion of insignis pine then being planted materially reduced so that in the event of its decimation by insect or fungal epidemic, supplies of substitute species would be readily available to protect the future of any pulp and paper plants which might be established; and

(*d*) That no pulp and paper plant should be established until a unit of economic size *as judged by world standards* could be justified both by continuity of wood-supplies and adequacy of demand. He stressed that the installation of smaller plants on any grounds whatsoever—whether of temporary national self-sufficiency or allegedly as a means of cautiously developing the industry—could only make it quite impossible to ever develop such plants on any economic basis. He considered that the basic technical principles of all pulping processes were so well established that the problem of building profitable operations was dependent solely on economic and not technical factors.