

occasions and reviewed his proposals from time to time. After Mr. Adamson's untimely death in 1945, Mr. Temperley visited New Zealand in the following year, and re-examined the original proposals in view of the Department's interim experience in the operation of the Waipa Sawmill. This resulted in a complete recasting of the Forest Service proposals whereby, instead of having widely separated pulp and paper mills and several medium-sized sawmills each of them with separate woodyards, steam and power plants, &c., all were centralized on the edge of the Kaingaroa State Forest. The economics which this huge plant made possible both in operating and in capital costs—through integration of raw-material supplies and by sharing of common woodyard, steam and power, and other engineering facilities—were such that the Dominion was assured of a manufacturing unit which could eventually compete on the Australian and similar markets at world parity. Both in diversity of species and in high efficiency of fire protection, the Kaingaroa State Forest was the only one in the Dominion which had sufficient security of raw-material supply to justify such a huge project.

(8) The magnitude of the project had, indeed, now attained such proportions that Messrs. Walmsleys Ltd. felt that, although its Technical Directors had endeavoured to act quite objectively as the Department's consultants, the firm was essentially a manufacturer of pulp and paper machinery and must therefore be suspect of a vested interest in the projected plant. For this reason, it recommended that the Department should secure an independent opinion and estimates on the Kaingaroa proposals. This suggestion was followed by the Government, which engaged the Rust Engineering Co., of Pittsburgh, Pennsylvania, to act as consulting engineers and economic planners in reporting upon the pulp and paper section of the plant, and Mr. W. H. Rambo, Industrial Engineer, of Portland, Oregon, to act in a similar capacity in reporting upon the sawmill section of the plant. The Rust Engineering Co. had not only planned, but also designed and constructed, numerous pine pulp and paper mills in the southern States of the United States of America using timbers very similar to the exotic softwoods to be used in the New Zealand plant. Mr. W. H. Rambo, likewise, has supervised the design and construction of important sawmills on the west coast of North America.

(9) The initial reports received from both the Rust Engineering Co. and Mr. W. H. Rambo indicated that the Forest Service proposals were soundly based in conception and in fact, so far as raw materials and operating-conditions were concerned. The Government and Treasury, however, felt that the physical magnitude of the project and the amount of money involved, both in the integrated sawmill and pulp and paper plant and in the allied public works, including harbour facilities, railways, hydro-electric extensions, and housing accommodation, made it imperative that the Ministerial head of the Department—the Hon. the Commissioner of State Forests—should make searching inquiries in North America before the Government finally confirmed the decision which it had made in principle to proceed with the project as based upon the Rust and Rambo reports.

(10) It was at this time that the Food and Agriculture Organization of the United Nations announced its intention of holding a World Wood Pulp Conference at Montreal between 26th April and 4th May. An invitation for New Zealand to be represented at this Conference was eventually received. As the principal purpose of the Conference was to ascertain the adequacy or otherwise of world wood-pulp capacity to meet current and immediate future demands, which was one of the most important questions upon which the decision of the Government to proceed with the scheme had hinged, it was decided that New Zealand should send a suitable delegation, led by the Hon. the Commissioner to State Forests, to the Conference. It is anticipated that a separate report will be published on the work of the delegation to the World Wood Pulp Conference at Montreal, but meantime it is possible to report that the Conference concluded that further expansion of the world wood-pulp-producing capacity is justified.