

MEMORANDUM

DRAFT AGREEMENT REGARDING USE AND MAINTENANCE

of

THE PULP AND PAPER RESEARCH BUILDING.

Generally speaking this Agreement provides as follows:-

1. As regards research and our relations concerning staff, etc., with the Pulp and Paper Corporation, the arrangement indicated by this agreement is what we proposed.
2. As regards maintenance, the Pulp and Paper Research Corporation is to give us a lump sum of \$100,000. which means that according to this Agreement their total contribution would never be more than \$6,000. Paragraph 4 provides that if the Government comes in, we each get one half of the Government contribution. This means, of course, that according to this Agreement, if the Government came in the Pulp and Paper Corporation would pay \$6,000. and we \$12,000., against which the Pulp and Paper Corporation would receive \$3,000. and we \$3,000. from the Government.

In order to make an arrangement satisfactory to us, three things are necessary:-

- a. Paragraph 4 must be altered and the provision about the division of Government subvention between ourselves and the Pulp and Paper Corporation must be taken out.
- b. An Order in Council must be passed, providing a definite contribution by the Government of \$6,000. a year.
- c. A contract must be made between ourselves, the Pulp and Paper Association and the Government.

If the Government do not make a definite agreement, then the amount paid over in bonds or otherwise by the Pulp and Paper Corporation would have to be \$150,000. not \$100,000.

So far as I can see, they have put us into the position where we must make an arrangement with the Government.