27. The estimates for 1949 and 1950 indicate a rapid restoration of equilibrium. World pulp requirements for 1949 are expected to exceed last year's consumption by 1,200,000 tons, while world production will only increase by 500,000 tons. For 1950 a further rise in requirements by 2,500,000 tons is anticipated, which would exceed current production by 500,000 tons. If these forecasts are confirmed by subsequent events, there might be a slight deficit by the end of 1950.

28. These world trends may be accompanied by certain shifts in the geographical distribution of wood-pulp production and consumption. Despite capacity increases, North America's output in 1949 is expected, for economic reasons, to remain almost 600,000 tons below the previous year; this reduction would be offset by a projected increase in European production of 850,000 tons. In 1950 European production is expected to expand by another 600,000 tons and North American production by 1,300,000 tons.

29. It is expected that European requirements will show a very much quicker expansion than European production, with the result that Europe's net surplus available for export from current production of wood-pulp would decline from 1,200,000 tons in 1948 to 700,000 tons in 1949 to some 300,000 tons in 1950. To the extent that currency considerations compel European producers to give priority to whatever they can sell for dollars, the supplies of wood-pulp available to Europe from European production might fall below effective requirements unless the production in northern Europe is correspondingly increased. If, on the other hand, European requirements were fully met, this might curtail substantially Europe's possibilities of securing dollars and other non-European currencies through pulp exports.

30. Also, in North America, market pulp requirements are likely to continue on a somewhat higher level than production. It is possible, however, that some of the resulting net import requirements may be met from accumulated stocks; it should further be remembered that North American requirements are calculated on the assumption of full employment and other economic conditions which may not occur.

31. It should be understood that the figures just quoted refer to net balances and do not indicate actual imports or exports. Indeed, in the case of North America, it is estimated that actual pulp imports from Europe might be in the order of 300,000 to 500,000 tons in both 1949 and 1950, while at the same time total North American overseas exports might be in the order of 250,000 tons, or about the same level as in 1947 and 1948. This suggests that no substantial quantities of North American pulp will be offered to the traditional markets for European pulp and that the fears of European producers in that connection are unfounded. American purchases of European woodpulp are likely to be substantially larger than the quantities to be shipped from North America to continental Europe.

32. It should be stressed that the temporary surplus experienced at the end of 1948 referred only to effective demand, and that Europe and large portions of Asia were actually suffering from shortage of paper and other pulp products, which were insufficient to meet the desires of the press and other consumers. Although the lack of purchasing-power and currency restrictions which accounted for this situation are likely to continue, reductions in the prices of pulps and larger available supplies should, in the near future, somewhat ease the acute shortage of newsprint and other papers in war-affected regions.

C. *Long-term Outlook*

I. *General Remarks*

33. The Conference devoted considerable attention to the prospective wood-pulp situation in 1955 and even attempted to make certain estimates, which are summarized by regions in the various tables of this report. These figures should be considered with extreme caution not only in view of their tentative nature, but because only a limited number of countries was prepared to present estimates. Hence the Conference had to