

40. The Conference, however, received a message from the Director-General of UNESCO concerning the world needs for newsprint and other papers and noted his concern about the fact that cultural progress in the less-developed countries is delayed through inadequate supplies of printing-papers, while, in many of the more advanced countries, post-war shortages of paper still interfere with the normal functioning of the press and the restoration of educational facilities.

41. The Conference was unanimous in appreciating the importance of adequate paper-supplies for mass education and information and agreed that larger paper-supplies for these purposes are eminently desirable. Many delegates believe that an assessment of present and prospective consumer needs for pulp products would constitute a valuable supplement to the information on wood-pulp contained in the present report. They expressed the view that this matter should be considered by the FAO Council next June, including the advisability of undertaking the preparation of a study of the facts by the staff of FAO in co-operation with UNESCO, to be presented to the Fifth session of the Annual Conference of FAO. Some delegations reserved the right to question the jurisdiction of FAO and the advisability of its undertaking such a study at the present time.

III. *Production and Requirements*

42. In addition to the general reservations that apply to all forecasts of requirements (see paragraphs 32 to 34), the estimates of wood-pulp requirements in 1955 attempted by the Conference call for further qualification. For many years pulp-producers have attempted to integrate their operations with the manufacture of newsprint, paper-board, and a few other mass products in a continuous-flow operation. This tendency is not only in line with the general economic policy of countries to produce fully-manufactured rather than partially-manufactured products, but also tends to render the production process more efficient and to reduce shipping costs.

43. In pursuance of this policy the major pulp-producing countries have undoubtedly included in their forward estimates for pulp requirements provision for additional exports of finished products. This may reduce the export possibilities of countries which had hitherto imported substantial amounts of pulp for re-export in the form of paper and similar products, but it is unlikely that these reductions were fully considered by the latter group; the requirement estimates in Table I might therefore be on the high side.

44. It should also be remembered that a number of less-developed countries are about to set up their own pulp industries, which would supply local paper-mills, which hitherto had to import all their wood pulp from Europe and North America.

45. The Conference believes that these tendencies toward the local integration of pulp and paper manufacture, while perhaps inevitable, may endanger the continued existence of converting industries in a number of pulp-importing countries. The Conference envisages the maintenance of pulp exports at levels which would permit the continued activity of existing pulp-converting industries, but calls attention to the danger of any expansion of pulp-converting industries in countries which do not have an assured and continuous supply of pulp from domestic or nearby sources.

46. With due consideration to the preceding qualifications, Table I indicates that pulp requirements in 1955 will be roughly 10,000,000 tons, or almost 40 per cent., higher than in 1948. This increase at an annual rate of almost 6 per cent. is indeed very substantial, especially when compared to an increase of only 3,300,000 tons, or 15 per cent., between 1937 and 1948, corresponding to an annual expansion of $1\frac{1}{2}$ per cent. It is true that the past eleven years have been disturbed by a world war, whereas the forecasts for 1955 assume a period of peaceful expansion.

47. The Conference estimates show approximate equilibrium between world production and requirements for 1948 to 1955. If these figures are confirmed by subsequent developments there should be no major wood-pulp surplus or deficit during the period under review.