

50. The Conference has tentatively estimated wood-pulp exports of the U.S.S.R. at 200,000 tons for 1955. It believes that this is a cautious estimate and that a substantially larger supply might be forthcoming from this source.

51. Between 1948 and 1955, North America's wood-pulp requirements show an increase of 4,500,000 tons, or 23 per cent., compared to an estimated 80-per-cent. increase for Europe and even larger proportional increases for Oceania, Asia, and Latin America. The gradual levelling off of the rising curve in North America's pulp requirements must be attributed mainly to the exceptional increase during the first post-war years, whereas, conversely, European output from 1946 through 1948 was restricted by raw-material shortages and other post-war conditions.

52. In 1955 world pulp-consumption may be roughly 50 per cent. higher than in 1937; but Europe's requirements for the same period may only be expected to increase by 14 per cent. and Asia's requirements may still be down by 40 per cent.

IV. *Raw Materials*

53. The Conference was in unanimous agreement that no pulp-factory should be built without being assured of a continuous supply of raw materials based on sustained forest yield. In general, pulp should be produced where mills can be supplied with pulp-wood in an economical way.

54. There are exceptions to this rule—e.g., the transport cost of wet pulp is so high that it is cheaper to import pulp-wood; it also might be necessary to maintain in existence for social, political, and humanitarian reasons established pulp-mills which have to rely on pulp-wood imported from considerable distances. Such mills may eventually be able to replace imported pulp-wood with other raw materials from nearer sources, although such a replacement would presumably entail considerable investment in new equipment.

55. In this connection, progress in the manufacture of pulp from temperate-zone hardwoods, tropical woods, residual straws, and grasses warranted particular consideration by special working groups of the Conference.

56. A report containing FAO's summary on the world outlook for supplies of pulp-wood is attached as Annex IV of this report.

57. Table III reveals for 1955 a prospective trade deficit of some 5,000,000 cubic metres (m.3); additional imports of that magnitude would be needed to achieve the anticipated pulp-production of 36,300,000 tons. This trade deficit and the shortages of pulp-wood supplies in Europe and Japan do not mean that it would be impossible to attain by 1955 a world production of 36,000,000 tons of pulp or even more. But the figures assembled in Table III indicate that, unless prospective supplies of pulp-wood or other fibrous materials can be increased through large imports from the Soviet Union, or by technical improvements such as integration of forest industries, a considerable change in the location of pulp capacity may have to take place if the anticipated production is to be reached. To explore this problem further the Conference decided to review the position by regions.

58. *Europe.*—Last year's pulp-production in Europe was not quite two-thirds of pre-war, but by 1955 European nations expect to regain 90 per cent. of their pre-war output. This would require approximately 48,000,000 cubic metres (m.3) of pulp-wood, which, according to Table III, exceeds European pulp-wood supplies by roughly 3,400,000 cubic metres (m.3). This situation exists in spite of the fact that for the Continent of Europe taken as a whole forests are at present being overcut to the extent of 20 per cent. of annual growth. In some cases, however, and in particular in northern Europe, annual drain is in line with annual growth.

59. In pre-war years, Europe's pulp industry relied on an annual import of 3,000,000 cubic metres (m.3) of pulp-wood, which came almost entirely from present area of the Soviet Union. The Conference feels that a resumption of pulp-wood exports from the U.S.S.R. on the pre-war scale is unlikely.