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Report of the ad hoc Working Party on Special Require-
ments for increased production, as approved at the
Second Session of the Timber Sub-Committee

1. In accordance with a request from the ECE Secretariat, representatives of several countries presented to the first meeting of the Timber Sub-Committee certain requirements for equipment and other goods which, by increasing domestic timber production would make additional quantities available for export or reduce import requirements.

These requests were noted, and the Timber Sub-Committee instructed the Executive Secretary to present them to the Industries and Materials Committee and other competent international bodies at the earliest possible date. (E/ECE/TI 18 Section 8).

2. The Industries and Materials Committee at its first session in November 1947 decided that these requirements should be referred back to governments with a request for reconsideration in the light of certain criteria set forth in the Committee's report reading as follows:

First: The requirements of equipment and other facilities put forward should not indicate a country's total needs of that particular item, but only the additional facilities needed to achieve a given increase in timber production and exports.

Second: It appears desirable to select among the requirements those directly connected with an increase in the production of softwood timber in the very near future, and to exclude items relating to long term improvements of production and export facilities.

Third: An attempt should be made to establish a direct relation between special facilities required on the one hand and additional exports of softwood lumber, pitprops and other forest products on the other.

Fourth: Governments should attempt to supplement the facts thus supplied by indicating whether and to what extent they expect to finance the purchases of special facilities in the course of current commercial transactions.

3. The Working Party meeting on January 26th and 27th 1948 has reviewed the revised requests and also additional material presented by representatives of governments in attendance. In addition to the criteria laid down by the Industries and Materials Committee the Working Party adopted the following general rules for consideration of requests:

- (a) Where credit facilities are required, the overall credit should not exceed \$50 per standard of sawn soft wood or \$5 per cubic metre of pit props increased availability for export.
- (b) Where priorities, only, for purchase of equipment for increased production, or for commodities in short national supply are required, the value of the commodities for which priorities are requested should not exceed the value of the proposed increased timber production. Priorities are only to be taken into consideration for commodities under international allocation.

4. Six countries, viz. Austria, Czechoslovakia, Poland, Yugoslavia, Sweden and Finland, presented requirements. Of these the first four require credit facilities and Sweden and Finland desire priorities for purchase of commodities in short national supply. The Working Group has thoroughly examined the requests of the various countries and has arrived at the following results:

- (a) Austria proposed initially for consideration an overall production plan for forest products implying total credits of approximately \$25,000,000. After discussion the Austrian Delegation agreed to the appointment of a special group to extract those elements of the general programme falling within the criteria listed in section 3 above. The report of the special group, which was adopted by the Working Party and is attached as Annex 1 of this report, proposed a credit of \$3,237,000, and provides for additional production for export of 55,000 standards of sawn soft wood and 100,000 cubic metres of pit props.
- (b) Czechoslovakia requested credit of \$2,750,000, on the basis of an undertaking by the Czechoslovak Delegate that such action would enable his country to increase its available export surplus by 55,000 standards of sawn soft woods in 1948 and by 76,000 standards in 1949.
- (c) Poland. The Working Group has analysed the tables demanding credits totalling \$3,861,806 presented by the Polish delegation and has eliminated certain items (9, 15, 19, 22, 24, 25) not directly connected with the production of sawn timber. However, three of these items - insecticides (15) for the protection of forests and thus for securing adequate supplies of round wood, machine tools (19) for keeping saw mills and logging equipment in good repair, and barking machines (22) necessary to protect timber from bark beetle infestation - are considered by the Polish Delegation as belonging to timber production. Thus the Polish request is reduced to \$3,330,610. On the basis of \$50 per standard Poland with an additional export availability of 60,000 standards, would be entitled to apply for credits amounting to \$3,000,000. As the Polish Delegation are not in a position to decide which of the items accepted in principle as necessary for an increase of timber production should be reduced, they will inform the Secretariat of this matter within the shortest possible time.

- (d) Yugoslavia is able to undertake additional exports of 60,000 standards of sawn soft wood and 80,000 cubic metres of pit props if a credit of \$3,400,000 is granted for the purchase of materials to increase production. Yugoslavia intends to use the credit of \$3,400,000 in the following manner. \$2,400,000 for forestry equipment for the purpose of increasing production; \$1,000,000 for saw mill equipment. The Yugoslav Delegation cannot yet give any detailed list of the amounts requested in the different classes of commodities, nor any indication of their prices but will do so within the next week. The Yugoslav delegate pointed out that the total requirements of his country are much higher than the above figures.
- (e) Sweden does not demand any credits, but asks for additional coke imports of 1,000,000 tons (at the average price of 1947 equal to \$19,000,000) over and above the quantities imported in 1947. On the other hand, Sweden is able to export additional 100,000 standards of sawn soft wood, thus obtaining a total export of 530,000 standards. The value calculated on the basis of the average 1947 price of \$175 amounts to \$17,500,000. Furthermore, Sweden does not consider pit props a natural export product since part of the pulping capacity is not being utilised at present for lack of wood. However, Sweden is prepared to export 300,000 cubic metres of pit props, which on the same price basis as above (1947 average value \$12) totals \$3,600,000. Thus the additional exports amount to \$21,100,000. On the basis of the directives received, namely that the import value of additional priority commodities must not exceed the export value of additional timber exports, the Working group considers the Swedish request to be acceptable.
- (f) Finland could increase exports by 70,000 standards of sawn timber in 1949 if priorities for materials internationally allocated and necessary for an increase of production could be granted ~~in~~ the same value as exports, i.e. \$12,250,000, calculated on the basis of \$175 fob per standard, this being a conservative average price in Finland in 1947.

Unfortunately the lack of precise information make it impossible to give exact figures, and therefore a mere list of the commodities required is attached.

The Finnish Delegation pointed out that Finland wants to use \$4,250,000 of the priorities for miscellaneous equipment (a - d) and \$4,000,000 for coke and \$4,000,000 for coal. The Finnish Delegation stated that these supplies would also enable Finland to maintain pit props exports at their present level.

The Finnish Delegation will give the Secretariat within a fortnight the necessary data on amounts and prices.

The Working Group recommends that the wishes of Finland be taken into account and that the necessary recommendations be made.

On the basis of these findings the Working Group recommends that the Timber Sub-Committee, in its report, should deal with this question as follows:

"The Report of the Working Party on Special Requirements for Increased Production, adopted by the Timber Sub-Committee, shows that the provision of special equipment valued at \$12,387,000 and for which credits are required by Austria, Czechoslovakia, Poland and Yugoslavia will result in the following increased export supplies:

	<u>Unit</u>	<u>1948</u>	<u>1949</u>
Sawn Softwood	std	230,000	311,000
Pitprops	mc	180,000	180,000
<u>Value</u>		<u>\$42.4 million</u>	<u>\$56.6 million "</u>

The Timber Sub-Committee appreciated that action to obtain credits lies primarily with the exporting countries concerned. However, it requests the Executive Secretary to transmit the conclusions embodied in this report to other committees of ECE and to appropriate international agencies and to draw their attention to the importance of satisfying the requests set forth above by 1st July 1948, if at all possible, and to give the governments concerned such advice and assistance as they may require.

The Timber Sub-Committee also points out with respect to Sweden and Finland that additional allocations of coal and coke above their 1947 level would result in increased exports of sawn softwood and pitprops; which Sweden states would permit for 1948 a maximum increase of 100,000 standards of softwood timber and a maximum export of 300,000 cubic metres of pitprops; and in the case of Finland an additional export of 70,000 standards of sawn softwood in 1949. In the case of Sweden and Finland this increased production for 1948 is contingent on additional fuel supplies being proportionately allocated by March 1 1948. In the opinion of the Timber Sub-Committee, such additional timber supplies would play an important part in meeting essential needs. However, since it is not competent to assess the coal situation, the question of extra allocation of coal and coke should be decided by the Coal Committee.*

The Executive Secretary is requested to have this matter immediately investigated by the Coal Committee of E.C.E. and a decision reached as to the possibility, in the light of the overall European fuel position, of making the additional allocations requested by Sweden and Finland. The Sub-Committee also remarked that for importing countries bi-lateral exchanges of coal and coke for timber would afford an obvious means of increasing their timber supplies.

(Note: The Norwegian Representative reserved the right of his country to bring before the Coal Committee the question whether such extra allocations will involve undue sacrifice on the part of countries not directly benefitting from the increased timber availabilities.)

The Timber Sub-Committee registers an undertaking by exporting countries to place the additional amount of lumber and pitprops specified in line D Table II at the disposal of European importers provided the special requirements set forth in the report of the Working Party are met before July 1 1948 (for Sweden and Finland before March 1948) and to do so in the same proportion as the dollar value of its special requirements are met by July 1 1948. It is, however, feared that in case no credits are granted some countries might be unable to continue production even on present level.

ADDENDUM I

ANNEX 1

Report of the Special Group appointed for
the study of the Austrian investment plan

According to the directives of the Chairman of the Working Party, the Special Group for Austria has met in the afternoon of the 26th of January, 1948, to discuss the Austrian investment plan and has arrived at the following conclusions:

1. The calculations below were based on the ration of \$50 per standard of additionally exported sawn softwood, as stipulated by the Chairman at the meeting of the Working Party, as well as on a ratio of \$5 per cubic meter solid volume of additionally exported pitprops. The Special Group for Austria is of the opinion that this does not prejudice the question of export prices, as it was ascertained that Austrian exports actually attain an average price of \$200 per standard.

2. The Special Group for Austria interprets the wording of document E/ECE/IM/18, p.2, 5(b), Third:

"An attempt should be made to establish a direct relation between special facilities required on the one hand and additional exports of softwood lumber, pitprops and other forest products on the other."

to mean that in principle production and exports of all forest products should be promoted with the help of credits, and not only those of sawn softwood and pitprops. It would be logical to include materials listed in the Austrian export program, such as ply-wood, fibre-boards, pulp, perhaps even paper, in the credit plan. It is a fact of utmost importance in this connection that the sustained yield management is prevalent in Europe and that in this kind of management the selection of individual products is impossible. The Special Group, after having examined the list of requirements is therefore of the opinion that this investment plan should receive consideration as a unified whole and that the grant of a credit in the full amount applied for, if not within this credit action, then in another one, should be considered by the competent authority in connection with the Austrian export plan.

3. In view of the criteria established, the Special Group for Austria has restricted its demands to a credit based on additional exports of sawn timber and pitprops. These amount to 55,000 stds sawn timber at \$50 per standard

credit basis = \$2,750,000

100,000 cubic meters solid vol. pitprops at
\$5 per m³ credit basis = 500,000

TOTAL \$3,250,000

4. On the basis of the total credit calculated under item 2, the following investments were approved as essential for a program of increase of exports:

Tractors, 50, at \$8,500 each	\$425,000
Spares, 50 tons at \$3,000 per ton	150,000
Caterpillar tractors, 70, at \$4,000 each	280,000
Spares, 100 tons at \$1,000 per ton	100,000
Trucks, 70, at \$5,000 each	350,000
Spares, 100 tons at \$1,500 per ton	150,000
Tyres and tubes	140,000
Cableways, 5, at \$50,000 each	250,000
Spares, 50 tons, at \$2,250 per ton	112,000
Horse-drawn vehicles, rubber-tyred, 400, at \$500 each	200,000
Harness and spare-parts:	
Raw hide, 20 tons, at \$5,000 per ton	100,000
Material for repairs, 15 tons, at \$2,000 per ton	30,000
Fodder:	
Oats, 5,000 tons, at \$40 per ton	200,000
Food:	
Fats and maize meal, 4,000 tons	400,000
Clothing, 2,000 sets at \$75 per set	150,000
Motor fuel, 5,000 tons, at \$40 per ton	200,000
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TOTAL	\$3,237,000
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Investment requirements of Austrian forestry.

Part I.

	Requirements for 1948 and 1949 in 1,000 Dollars	1950	1951
a) Requirements met outside Austria	6,409	3,965	2,339
b) Requirements met inside Austria	1,676.04	505.91	448.23
c) Fodder requirements	600	300	300
d) Requirements of food and clothing for forestry workers	5,184	2,967	2,217
e) Fuel	700	-	-
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TOTAL INVESTMENT REQUIREMENTS	27,611.18		
minus b)	2,630		
	<u>24,981.18</u>		

Part II.

Possibility of additional exports in case of implementation of the projected investment program:

		in 1,000 Dollars	
Sawn timber	256.850 m ³ at 50.00	12,843.50	
Pitprops	100.000 m ³ at 10.00	<u>1,000</u>	13,843.50
	s.y.		
Plywood	2,000 m ³ at 100	200	
Panel-boards	2,000 m ³ at 100	<u>200</u>	400
Hard-fibre boards	350,000 m ² at 1.2	420	
Soft-fibre boards	638,400 m ² at 0.7	<u>446.88</u>	866.88
Pulp	862 t at 90	77.58	
Cellulose	18,330 t at 181	3,317.73	
Cardboard	14,370 t at 116	<u>1,666.92</u>	5,062.23
Rot.paper	14,730 t at 125	1,841.25	
Other paper	21,740 t at 280	<u>6,087.20</u>	<u>7,928.45</u>
			<u>28,101.06</u>

NOTE:- The details of part I above are deposited with the Secretariat of the Timber Sub-Committee, and may be consulted by the delegates on request.

ADDENDUM I

Annex 2

List of required equipment presented by Czechoslovakia

<u>A. Capital Goods</u>			
<u>Logging equipment</u>	Quantity (pieces)	Value item (\$1000)	Summary value (\$1000)
a) <u>Tractors</u>			
Wheel-type 50 HP	12	12	144
chain-type 50 HP	31	14	434
Caterpillar D4 with double winch and crane)	1	11	11
Caterpillar D4 with single winch and logging) arch	5	11	55
Caterpillar D6	3	15	45
Bulldozer Caterpillar D4	8	16	128
Angledozer Caterpillar D4	18	16	288
Motor-Grader-Diesel No.12	4	10	40
Total Tractors	146		1,145
c) <u>Trucks</u>			
Truck-Type crane)	10	8	80
"Loggers Dream")			
Motor lorry for trans- porting logs with special truck	1	16	16
Lift and straddle trucks	20	7	140
Total trucks	31		236
g) <u>Saws mech.</u>			
Movable circular saw	20	0.5	10
"Cut Quick"			
Special portable chain saws	23	0.7	16.1
Portable chain-saws	150	0.667	100
Total saws mech.	193		126.1
k) <u>Other</u>			
Skidder 150 HP	1	30	30
Hydraulic loading set for chain tractors Frehman & Drott	20	1	20
Mechanical embarker "Necossa"	5	5	25
Tyres and tubes, especially heavy sizes (12,000)	12,000	0.025	300
	26		375

(and 12,000 tyres and tubes)

Czechoslovakia (cont.)

Sawmill equipment

b) <u>Sawmill machinery</u>	Quantity (items)	Value 1 item (\$1000)	Summary value (\$1000)
Frame saws to 32" with) equipment	20	7	140
Log-band mill saws (fast feed)	20	10	200
Four cutter planer and moulder	10	4	40
Double edgers	40	0.8	32
Saw-sharpening machines and) knife grinders	50	0.8	40
Tools (saw-blades, knives, cutter heads etc.)	-		220
High frequency equipment	1	16	16
Nailing machines	10	3	30
Special equipment for drying-} kilns	20	3	60
Machine equipment for) prefabricated houses)	3	30	90
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Total saw-mill machinery (and tools)	174		868

Addendum I

Annex 3

List of required equipment presented by Poland
within a line of aid offered by E.C.E. for
forestry.

Item	Specification	Unit	Quantity	Price per unit in \$	Total value in 1000\$	Remarks
1.	Block saws Louis Brents (machines)	pieces	2	10,000	20	Delivery in 1948
2.	Motors and spare parts for trucks. Types: Albion, Bedford Dogo, Ford, SAC, Studebaker, Fornyenoft	"	14	2,000	28	"
3.	Motors and spare parts for tractors. Types: Adler, Dents, Hannomag, Lanse, Bulldog, Normag, Case, Farmell, Fordson.	"	16	1,500	24	"
4.	Frame saws	"	15,000	3.15	47.25	"
5.	Band saws	un.	13,000	0.73	9.50	"
6.	Distributing band saws	"	1,600	1.50	2.40	"
7.	Disc saws	pieces	3,500	8	28	"
8.	Power hand chain saws	"	105	710	74.55	"
9.	Blades for husting plants shears and veneer cutting machines		350	60	21	"
10.	Chains for chain saws		200	40	8	"
11.	Ball and roller bearings		8,000	5	40	"

Item	Specification	Unit	Quantity	Price per unit in \$	Total value in 1000\$	Remarks
12.	Tyres for tracks	"	6,000	20	120	Delivery in 1948
13.	Inner tubes of tyres	"	7,000	5	35	"
14.	Leather transmission belts	tons	20	0.80	16	"
15.	Insecticides calcium arseniate "Hexald" or other	"	4,800	0.23	184	"
16.	Copper for tanks and acid proof pipes	"	44	350	15.4	"
17.	Fasteners for lorries lifting capacity 10 tons on tyres, on pneumatics, adapted to transportation of logs with double brakes	pieces	120	1,000	120	"
18.	Tractors 30, 35, 45, 50, HP. velocity on tyres 30/km/hr gasoline drive	units	666	1,200	800	"
19.	Machine tools for motor workshops power drawn such as embossing machines for cylinders grinding machines, milling machines, planers	"	16	average ca. 2,500	40	"
20.	Horses	"	5,000	ca. 325	1,625	"
21.	Machine tools for wood work (planing machines, borers, etc.)	"	24	average 750	17.76	Delivery in 1948

Item	Specification	Unit	Quantity	Price per unit in \$	Total value in 1000\$	Remarks
22.	Machines for barking make "Swartville- Sulfit fabric A.B."	"	3	42,000	126	Delivery in 1948
23.	Electro- technical equipment				100	" and in 1949
24.	Husking machines length 2.20 m.	"	2	50,000	100	Del. in 1948 and 1949
25.	Husking machines length 1.70 m.	"	2	40,000	80	"
26.	Turbine steam driven at 50 KW. pressure 15 atm. with compression	"	3	60,000	180	"

TOTAL

3,861,860 U.S. dol.

Addendum I

Annex 5*

MEMORANDUM REGARDING FUEL IMPORT TO SWEDEN AND
SWEDISH EXPORT IN 1948 AND 1949

FUEL

Million tons, coal basis

Year	Coal	Anthra- cite	Brown- coal briquettes	Coke	Oil (Convertible according to Swedish option)
1947 (partly estimated)	3.99	0.55	0.47	0.90	2.55
1948 (figures according to Marshall Plan)	4.50	-	-	1.90	2.70
1949 (" ")	4.70	-	-	2.70	2.90

EXPORT OF WOOD PRODUCTS

According to Marshall plan, 1948-1949

	Minimum quantities	Maximum quantities
Wood-goods	430,000 stds	500,000 stds.
Pitprops	0 cub.m. solid measure	300,000 cub.m. solid measure

In case fuel requirements in 1948 will not be filled to above quantities, export in that year will be 430,000 stds wood-goods and maximum 145,000 cub.m. pitprops, the latter quantity being subject to reduction if necessity arises to use part of the props for fuel purposes within Sweden. With full supply of fuel according to the plan there will be possibilities to export maximum 300,000 cub.m. pitprops in case the plan of fuel import will be confirmed before the end of February 1948.

The export of pitprops in 1949 will be depending upon the actual import of fuel in 1948 as follows. Sweden's demand

*(Note Annex 4 is the list of requirements presented by Yugoslavia, this will be circulated shortly).

Annex 5 (cont.)

for fuel import in 1948 amounts to 9.1 mill. tons. If this quantity will be available not only in regard to total quantity but also with required quantities of coal and coke respectively, Sweden shall be able to export maximum 300,000 cub.m. of pitprops. If the import of fuel will be the same as in 1947 augmented by 300,000 tons, (increase in demand between the two years) the maximum export of pitprops will be about the same as now foreseen for 1948 or 145,000 cub.m. If no increase, the export of pitprops will be nil.

Addendum I

Annex 7*

Memorandum from the Greek Delegation regarding
Requirements for increased production

As regards increased production, there are two separate programmes which the Greek Delegation would like to submit to the Timber Sub-committee, one of immediate scope, the second being a short term one. A third long term (20 years) programme of reafforestation and general reorganization of forestry in Greece is not mentioned here.

(a) The first programme has to be completed within 1949. It concerns the salvaging of timber from forests destroyed mainly by fire, during the occupation and shortly afterwards. So far, about 43,000 standards of round softwood have been felled by joint action of the Ministries of Reconstruction and Agriculture, and another 15,000 are expected to be felled by the end of 1949. Nevertheless, it has only been possible to transport and convert a very small percentage of this timber up to now, and under existing conditions, it is not expected that more than 25% of it will be converted by the end of 1949, yielding 10,000 standards of sawn softwood. In addition, there is very little chance that a substantial proportion of the remainder will be usable in 1950, owing to rotting, etc.

If, on the other hand, the appropriate transport and sawmilling equipment were available, this would allow the conversion of the above timber, which would result in a total production of 40,000 standards of sawn softwood from the burnt forests, or an additional 30,000 standards in relation to what can be expected under present conditions.

These equipment requirements are shown in the attached Table I and amount to \$810,000 or \$27 per standard, thus salvaged these additional 30,000 standards mean a corresponding decrease in import requirements, and it is felt that these requirements fall within the rules set up by this committee for increased production, and that they should, therefore, be included in the recommendations of this meeting together with similar requirements of other countries.

(b) The second programme is a five-year one and concerns forests hitherto inaccessible in Greece, which, according to the programme approved by the Ministry of Agriculture, will add 500,000 cubic metres of round timber during this five-year period at an increasing rate and after completion of the scheme add 200,000 cubic metres of round timber annually to the present production. This means again a decrease in import requirements amounting to 75,000 standards of sawn timber

*(Note: Annex 6, list of required equipment presented by Finland, will be circulated shortly)

(b) (cont.)

during the first five years, and 30,000 standards annually thereafter. This programme will only be possible if the necessary equipment and financing, as shown in Table II, is made available to Greece.

It is not very clear whether this programme falls within the scope of the Working Party on Increased Production's rules, as no substantial part of the contemplated production is expected to take place before 1950, but as the increase in production will be a very noticeable one just after, we do not think this is a long-term programme; on the contrary we propose that this project be carefully examined by the Timber Sub-committee.

TABLE I

REQUIREMENTS FOR SALVAGING AN ADDITIONAL 30,000
STANDARDS OF SAWN SOFTWOOD FROM BURNT FORESTS

A. CAPITAL GOODS

1. Logging and Transportation
Equipment

(a)	Tractors	pc. 20	\$100,000	
	Spares		25,000	
(b)	Trailers	" 25	35,000	
	Spares		5,000	
(c)	Trucks	" 20	80,000	
	Spares		25,000	
(f)	Cables	km. 6	10,000	
(g)	Mech. Saws	pc. 50	35,000	
(h)	Hand tools		15,000	
(k)	Roadmaking equipment (excavators, cranes, etc.)	pc. 10	80,000	
	Spares		20,000	\$430,000

2. Sawmills 8 plants \$200,000

TOTAL CAPITAL GOODS \$630,000

B. CONSUMER GOODS

2. Clothing for 3,000 workers \$120,000

3. Boots " " " 60,000 \$180,000

TOTAL CREDITS
REQUIRED \$810,000

Reduced imports through increased production 30,000
standards. Credit needed per standard of increased
production \$27.0

NOTE: Greece intends to allocate the equivalent of
\$3,000,000 for internal financing, and would need
another \$640,000 for the same purpose. This
brings the total cost of this production to \$4,450,000
(cost to Greece), or \$148.3 per standard of
increased production.

TABLE II

REQUIREMENTS FOR THE 5-YEAR SCHEME OF EXPLOITATION
OF HITHERTO INACCESSIBLE FORESTS

A. CAPITAL GOODS

1. Logging Equipment

(a)	Tractors	pc. 130	\$430,000	
	Spares		120,000	
(b)	Trailers	pc. 80	320,000	
	Spares		80,000	
(c)	Trucks	pc. 120	600,000	
	Spares		160,000	
(d)	Cables	km. 15	30,000	
(g)	Mech. Saws	pc. 400	250,000	
(h)	Hand tools		40,000	
(k)	40 miles tramway		360,000	
(l)	20 miles railway, narrow gauge, with 500 trucks and 40 locomotives			120,000
(m)	10 Excavators			70,000
(n)	20 Cranes			80,000
(p)	Miscellaneous		380,000	\$3,040,000

2. Sawmilling equipment

(a)	25 Sawmills	\$500,000	
(b)	Saws	50,000	\$ 550,000

TOTAL FOR CAPITAL GOODS \$3,590,000

B. CONSUMER GOODS

2.	Clothing for 2,000 workers	100,000	
3.	Boots " " "	60,000	\$ 160,000

C. FINANCING

(Mainly for facing manpower requirements) \$4,250,000

TOTAL CREDIT REQUIRED \$8,000,000

If this credit is spread only over the 5-years production (75,000 standards of sawn timber), this would mean a cost of \$107 per standard, (i.e. \$50 for equipment plus \$57 for financing). If the increased production after the 5 years is also taken into consideration, this would result in a further decrease of the per standard cost.

As Greece intends to contribute another \$4,000,000 for internal financing of the project, the total cost of it to Greece will be \$12,000,000, or \$160 per standard of increased production or reduced imports.