

ECONOMIC COMMISSION FOR EUROPECOMMITTEE ON INDUSTRY AND MATERIALSReport of the Timber Sub-Committee, as approved at
the Second Session, 28th to 31st January, 1948

1. The Sub-Committee on Timber held its Second Session, in Geneva, from the 28th to 31st January, 1948, and was attended by the representatives of Austria, Belgium, Canada, Czechoslovakia, Denmark, Egypt, Finland, France, Greece, Ireland, Italy, Luxembourg, Norway, Netherlands, Poland, Sweden, Switzerland, Turkey, United Kingdom, United States of America and Yugoslavia.

M. Bernard Dufay (France), and M. Viktor Ropelewski (Poland), were elected Chairman and Vice-Chairman respectively.

2. The European Timber requirements for 1948 and 1949.

The Timber Sub-Committee reviewed the European timber position and outlook on the basis of the attached Table 1, and confirmed with minor exceptions the estimates made at its last meeting with regard to import requirements in 1948 amounting to a total of 4.27 million standards.

Most importing countries indicated that their present currency position made it impossible for them to buy the full amount of their essential import requirements and put forward a second set of estimates listed in Column 7 of the Table 1 as representing the maximum amounts of timber which in present circumstances each importing country considers that it is likely to be able to buy without external financial aid. These figures reached a total of 2.59 million standards which is 1.68 million standards less than previously estimated import requirements. The effective timber import demand as at present estimated is even slightly lower than 1947 imports, which were generally regarded as most inadequate, and the United Kingdom, Europe's largest timber importing country now expects to be able to buy only two-thirds of the timber imported in 1947.

The Timber Sub-Committee was keenly aware of the need to raise the effective timber demand of importing countries in order to bring it closer to essential import requirements. It recognized however that measures to increase the purchasing power of importing countries lay beyond its terms of reference. Nevertheless it feels obliged to observe that:

a) the essential requirements of the importing countries are generally recognized to be far in excess of the quantities, listed in Column 7, which at present represents the maximum they are able to purchase;

b) the Sub-Committee has for some months devoted considerable attention to the question of increasing production and exports

of timber from the exporting countries in order to meet the needs of the importing countries.

It is quite clear that in the absence of some solution of the difficulties of purchasing power which at present confront the importing countries, the efforts of the Sub-Committee to increase exports must be frustrated, and the needs of the importing countries which are essential for the reconstruction of Europe will remain unfulfilled.

Hoping that governments would act separately and jointly to overcome present currency difficulties, the Sub-Committee does not exclude the possibility that developments during the coming months might enable countries to raise imports above the figures listed in Column 7. In the case of such an improvement, the available export supplies (See below, point 5) would immediately become insufficient to cover effective demand. In order to make sure that all countries get their share of available timber supplies, the importing countries agreed on the following figures as representing the first instalment of each country's timber purchases for delivery during 1948 and undertook not to exceed these buying limits up to July 1 1948:

Agreed buying limits for first instalment
 of lumber imports in 1948

<u>In thousand standards</u>	<u>Column 9</u>
United Kingdom	1,000
Ireland	25 (estimate)
France	145
Belgium	210
Luxembourg	2
Netherlands	250
Denmark	130
Switzerland	66
Hungary	90
Italy	170
Greece	60
Syria	10
Lebanon	-
Iraq	* (15)
Palestine	* (60)
Egypt	70
French North Africa	* (50)
Turkey	10 (estimate)
Other importing countries	* (150)
Other countries normally exporting	* (170)
	<hr/>
Total	2,683

* Note: figures in parenthesis refer to countries not represented at the meeting and are subject to revision.

The figures listed above refer to all imports of sawn softwood including boxboards and sleepers, as well as the timber equivalent to sawlog imports. The figures for France, Belgium and Luxembourg, however, do not include logs produced in Germany with French, Belgian or Luxembourg equipment. The buying limits refer to all contracts concluded before July 1 1948

for timber to be delivered during 1948, and include also contracts made originally for delivery during 1947 with regard to timber not shipped by December 31 1947. The importing countries represented at the meeting undertake not to exceed these buying limits before July 1 1948 or a decision by the Timber Sub-Committee regarding a further import instalment prior to that date. Countries not represented at the meeting are not bound by the figures listed with regard to them, but the Timber Sub-Committee recommends that these governments also try to respect the proposed buying limits, and that they advise the Executive Secretary as soon as possible of their ability to comply with this recommendation.

3. Prospective export supplies

The review of the Sub-Committee of prospective export supplies (See Table 1) also confirmed largely the October estimates with minor modifications. Accordingly, under present circumstances, prospective exports available to European importing countries would reach 2.38 million standards in 1948 and 2.32 million standards in 1949. Total export supplies in 1948 would thus be roughly equal to actual exports in 1947 and would remain about 300,000 standards below the first import instalment for 1948 agreed among the importing countries of Europe. Should an improvement in purchasing power materialize the European timber deficit would become strongly felt.

The Sub-Committee agreed, therefore, that an increase in Europe's timber production and export supplies was of the greatest urgency, since without such a substantial increase it would be impossible to meet a further import instalment in 1948 failing which the minimum essential needs of importing countries could certainly not be met.

The Timber Sub-Committee accordingly adopted the attached report of the Working Party on special requirements for increased timber production and export. (Addendum 1) This report 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>1948</u>	<u>1949</u>
Sawn Softwood	230,000	311,000
Pitprops	180,000	180,000
Value	<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 July 1 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 soft-wood 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 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.

The Timber Sub-Committee registers an undertaking by exporting countries to place the additional amounts of timber and pitprops specified in line D of Table 2 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 1 1948), and to do so in the same proportion as the dollar value of its special requirements are met by the dates indicated above. It is, however, feared that in case no credits are granted some countries might be unable to continue production even on present level.

4. Timber from Germany

The Sub-Committee examined generally the imports of timber which France, United Kingdom, Italy, Belgium, Holland, Luxembourg and Switzerland have received from Western Germany. From this source of supply in 1947 approximately 615,000 standards of sawn softwood (or its equivalent in logs) and 335,000 M3 of pitprops have been received by these countries, which is a substantial and very important contribution both to their timber needs and, by reducing the demands which they must make elsewhere, to the whole European timber position.

* 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.)

A note prepared by the Secretariat on German timber exports greatly assisted the Sub-Committee in its task, and the Sub-Committee instructs the Secretariat to prepare on the basis of that note a factual review of the present position of German timber production and export, taking into account the information which has been provided at this session of the Timber Sub-Committee, and any further comments, which interested governments may wish to submit to the Secretariat. In this connection, the Sub-Committee re-affirms the principles set out in E/ECE/TIM/8 Annex 3 regarding the statistical presentation of exports of timber from Germany, and invites interested governments to follow these principles as far as practicable. Insofar as any government feels unable to follow the principles set out in E/ECE/TIM/8 Annex 3, it is invited to discuss its difficulties on the presentation of German export statistics with the Secretariat.

The Sub-Committee discussed the question of exports of timber from the Combined Zone in 1948. It was advised that the Authorities of the Combined Zone had an export programme of two million cubic metres of timber (solid measure) expressed in terms of roundwood for the period October 1947 to September 1948 and, in addition, was prepared to allow an export of 500,000 cubic metres of timber of all kinds to Holland and Belgium from the cutting areas at present being operated by these countries in the Combined Zone.

The Sub-Committee took note of the considerable interest of the United Kingdom in timber exports from the Combined Zone in 1948.

In addition, the Netherlands Delegate advised the Sub-Committee of the interest of his country in receiving exports of timber from the Combined Zone in 1948, but was unable to say, at the moment, apart from the quantities they cut from their present cutting areas, what quantities his country would require. The Sub-Committee approved in principle the request of the Netherlands for exports of timber from the Combined Zone, and suggested that the Netherlands should take up the question of exports from the Combined Zone with the Occupation Authorities at an early date, when the quantities to be exported to the Netherlands could be determined. The results would then be reported to the Timber Sub-Committee.

The Delegate of Belgium advised the Sub-Committee of the request of his government for the additional allocation of timber in the Combined Zone, in order to obtain quantities of softwood logs, pitwood, pulp wood and hardwood logs. The Sub-Committee commended this request of the Belgian Government and suggested that the Belgian Government should take up this question directly with the Occupation Authorities.

5. Pitprops

The Sub-Committee reviewed the attached report on Pitprops (Addendum 2) prepared by the Secretariat in co-operation with the Coal Division of ECE. It expressed the desire to obtain information with regard to pitwood requirements and supplies of the different countries prior to 1948 and invited the Secretariat to develop its statistics and information on

pitwood supplies, and requirements, including those of Germany in the same way as had been done for softwoods, and to present a more complete report to its next session.

In the light of Table IV attached to the Secretariat's Pitwood Report, and of additional information supplied by Members of the Sub-Committee and noted on Table IV in Column - National Production (a) - the Sub-Committee finds that prospective European pitwood supplies are likely to reach at least 13.7 million cubic metres in 1948. This figure appears to be sufficiently close to pitwood requirements in 1948 estimated at 14.8 million cubic metres to make further action regarding additional supplies unnecessary at this stage.

Substantial amounts of pitprops have to be burned in almost every European timber producing country to offset shortages of mineral fuel. A more adequate supply of coal, coke and fuel oil could easily result in an immediate and substantial increase in pitwood availabilities.

The Sub-Committee draws the attention of the Coal Committee to statements contained in the report of the Equipment Working Party by Finland, Sweden and Austria, about their needs for additional fuel in order to increase production and exports of sawn wood and pitprops, and stresses that a similar situation is found in many other European countries. If the Coal Committee feels that measures for increased pitwood supplies should be taken by the Timber Sub-Committee, it is suggested that a joint discussion of the problem be arranged by the Executive Secretary upon the request of the Coal Committee.

6. Periodic Statistics

The Sub-Committee reviewed the first issue of periodic statistics on timber production, trade, and prices, presented together with the attached note of the Secretariat on that subject (E/ECE/TIM/11) Addendum 3. While expressing satisfaction with this information, delegates felt that the short time available to study these first samples made it difficult for them to express definite views with regard to contents and presentation of these statistics.

The Sub-Committee was unanimous in approving the publication of periodic timber statistics by the Secretariat and agreed that this should be done on a quarterly basis.

The Sub-Committee believes that the form and presentation of the statistics, place of issue, and the name under which they should appear, should be determined by the Executive Secretary in line with the general policy to be adopted with regard to such publications, and in consultation with United Nations Headquarters at Lake Success, the Food and Agricultural Organization of the United Nations, and other interested bodies.

Delegates were invited to advise the Secretariat before 29 February 1948 of any suggestions with regard to contents and presentation, and it was agreed that any country not having sent in such comments by 29 February would be assumed to agree to the principles embodied in the samples submitted to the meeting. Should the comments presented by different governments show

considerable variance, the Chairman will invite statistical experts of interested governments to hold a special meeting with a view to reaching the necessary agreement.

7. Economies in timber consumption

In accordance with instructions issued by the first session of the Timber Sub-Committee the Secretariat submitted a proposal for further procedure in considering economies in timber consumption (E/ECE/TIM/10). The Sub-Committee recommends that a study be undertaken by its Secretariat in close co-operation with the Housing Panel and in consultation with other experts from various countries, this study to deal both with technical measures most suitable to achieve economies in timber consumption and manufacture, and with the various practices existing in that respect in various countries. In making their study the experts, and members of the Secretariat should visit various countries upon the invitation of their respective governments. The study should then form the basis of further discussions by the Timber Sub-Committee, or, conceivably, by a group of experts accompanying Delegates to the Sub-Committee. Members of the Housing Panel should be invited to participate in that discussion.

In order to permit adequate preparation of these discussions, it is requested that the Secretariat's study and draft recommendations be sent to governments at least six weeks in advance of the meeting.

8. Status of the Timber Sub-Committee

A number of delegates expressed the view that the assignment of timber to a Sub-Committee of the Industry and Materials Committee involved unnecessary complications, and said they would welcome the transformation of the Timber Sub-Committee into a Committee reporting directly to the Economic Commission for Europe. The Executive Secretary, who was present during this discussion was requested by the Sub-Committee to take these views into consideration when preparing his recommendations on committee structure and organization to the next session of the ECE.

9. Chairman's Consultations

The Chairman advised the Sub-Committee that he would like to invite a small number of delegates to assist him, the Vice-Chairman, and the Secretariat between sessions. In particular these delegates should review the report to be presented on behalf of the Timber Sub-Committee to the third session of ECE and advise the Chairman and the Secretariat with regard to the Agenda, and documentation of the next session and about its date. The Sub-Committee gave its unanimous approval to this plan provided that:

- a) these consultations be informal and not prejudice matters of policy,
- b) the experts be selected in each case according to its nature by the Chairman and the Vice-Chairman,
- c) the selection be representative of the various regional groups participating in the Sub-Committee,
- d) these consultations should not prevent the Chairman and the Secretariat from maintaining the closest possible contact with all participating countries and delegates.

TABLE I

IMPORT AND EXPORT OF SAWN SOFTWOOD

E/ECE/IM/22
E/ECE/TIM/16

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in 1000 standards

A. IMPORTS (incl. SLEEPERS, BOXBOARDS AND TIMBER EQUIVALENT OF SAWLOGS)

Principally Importing Countries	IMPORTED			IMPORT REQUIREMENTS						
	1937	1946	1947	1948			1949			
				a. Normal	b. Essential Needs	c. Effective Demand Jan. 1948	d. Buying Limits First Instal- ment	a. Normal	b. Envisaged October 1947	
1	2	3	4	5	6	7	8	9	10	11
1 United Kingdom	2,366	814	1,410	1,650	1,650	1,000	1,000	1,800	1,800	
2 Ireland	80	8	16 ⁽⁴⁾	57	57	25	25 ⁽²⁾	60	50	
3 France (7)	(475) ⁽¹⁾ 190	142	144	250	250	145	145	475	275	
4 Belgium (7)	(275) ⁽¹⁾ 190	53	110	295	295	210	210	295	295	
5 Luxembourg (7)	8	3	1	3	3	2	2	16	16	
6 Netherlands	374	66	190	360	325	250	250	380	380	
7 Denmark	171	121	109	350	350	130	130	350	350	
8 Switzerland	41	27	63	66	66	66	66	66	66	
9 Hungary	192	10	56 ⁽⁸⁾	130	130	90	90	150	150	
10 Italy	312	14	57 ⁽⁸⁾	355	355	80	170	385	385	
11 Greece	70	10	21	140	133	60	60	143	136	
12 Syria	-	-	-	10	10	10	10	10	10	
13 Lebanon	-	-	-	-	-	-	-	-	-	
14 Iraq	14	(13)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	
15 Palestine	54	(58)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	
16 Egypt	98	25 ⁽⁵⁾	67	100	(100)	70	70	100	100	
17 French North Africa	60	11 ⁽⁵⁾	(106)	(106)	(106)	(50)	(50) ⁽²⁾	(106)	(106)	
18 Turkey	5	-	-	50	50	(10)	(10) ⁽²⁾	(60)	(60)	
19 Other importing countries	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	
20 Other countries normally exporting	(200)	(200)	(200)	(200)	(170)	(170)	(170)	(150)	(150)	
Total A.	4,575	1,725	2,775	4,347	4,275	2,593	2,683	4,771	4,554	

B. EXPORTS

Principally Exporting Countries	EXPORTED			EXPORT PROSPECTS						
				Normal	Maximum	Additional Exports		Normal	Maximum	Additional Exports
1 Norway	51	1	$\frac{1}{2}$	36	36	-		36	36	-
2 Sweden	820	392	352	430	530	100		400	500	100
3 Finland	1,045	324	435	410	410	-		350	420 ⁽²⁾	70
4 Poland	334	-	-	-	60	60		-	120	120
5 Czechoslovakia	176	35	122	65	120	55		29	105	76
6 Austria	317	12	31	55	110	55		130	165	35
7 Portugal	-	-	-	-	-	-		-	-	-
8 Yugoslavia	197	-	58	60 ⁽²⁾	120	60		60	(120)	(60)
9 Rumania	353	(125)	(104)	(110)	(110)	-		110	(120)	(10)
10 Bulgaria	-	-	-	-	-	-		-	-	-
11 Germany										
British Zone ⁽⁶⁾		24	65	}	200	200	}	200	200	
American Zone		28	170							
French Zone		92	120							
Russian Zone										
Total Germany	(-) 731	144	355	365	(2) 365			355	355	
12 U.S.S.R. (3)	1,362	(42)	(30)	(50)	(200)	(150)		50	(200)	(150)
13 Canada	508	384	624	550	550	-		550	550	-
14 U.S.A. (3)	110	106	250	250	250	-		250	250	-
15 Other Sources	-	-	-	-	50	(50)		-	(100)	(100)
Total B.	4,542	1,565	2,361 $\frac{1}{2}$	2,381	2,911	550		2,320	3,041	721
Balance B - A	(-) 33	(-) 160	(-) 413 $\frac{1}{2}$	1,966	(-) 1,364			(-) 2,451	(-) 2,513	

Remarks

Figures in brackets refer to countries not represented at the meeting and are subject to revision.

- (1) The average figure for imports in 1918-32 was 475 for France and 275 for Belgium.
- (2) Estimate subject to revision.
- (3) Figures indicate exports to Europe and Medit. only - the total exports are:
- (4) From January to September 1947.
- (5) Without Tunis.
- (6) Only to United Kingdom.
- (7) Excluding sawlogs from Germany.
- (8) 11 months only.
- (9) It will be noted that Total Imports in 1947 are 717,000 standards more than the figure shown for Total exports. This difference is due primarily to the inclusion of the sawing wood equivalent of sawlogs imported from Germany in the import figures for the U.K., Netherlands, Switzerland, etc., whereas most of the export statistics refer to sawn softwood only and sometimes do not even include sleepers and boxboards. In complete coverage of exporting countries, differences in definition and time are further factors account for the difference between total exports and total imports.

	1937	1946	1947	1948
Canada	918	966	1,244	985
U.S.A.	534	261	328	