Functions
of
Northwest Lumber Exporters
by
Henry Granat

A Thesis
Presented to the Faculty
of the
School of Forestry
Oregon State College

In Partial Fulfillment
of the Requirements for the Degree
Bachelor of Science
June 1944

App

Redacted for privacy

Professor of Forestry
ACKNOWLEDGMENTS

I wish to express my sincere thanks and appreciation to Mr. J. Dant, of Dant and Russell, to Mr. Waterbury of the United States Bureau of Foreign and Domestic Commerce, and to Mr. L. J. Wentworth of Douglas Fir Export Co., for the information and time they so kindly gave me, and without which this report could not have been written. Thanks are also due Dr. Ordeman, of the English department of Oregon State College, for valuable comments and corrections during the writing of this report.
Table of Contents

Introduction .................................................. 4
Markets .......................................................... 5
Growth of Exporting Firms ................................. 7
Duties of the Lumber Exporter ......................... 9

Orders
Shipping Space
Filling the Order
Loading the Vessel

Mechanics of Payment ................................... 13
Documents .................................................... 15
Foreign Office ................................................. 16
Economic Considerations ................................. 19
Future Export Trade ....................................... 22

Summary ...................................................... 23
Bibliography .................................................. 24

Appendix ...................................................... 25

Index
INTRODUCTION

The production of lumber and lumber products is one of the main industries of Oregon and Washington. With their large stands of virgin and second-growth timber, these states have produced and will continue to produce more lumber products than can be used within their boundaries. Therefore, the stability of the lumber industry depends, largely, upon available outside markets, both foreign and domestic.

This report will briefly summarize the functions of lumber exporters and the place they occupy in the lumber industry of the Northwest. An attempt will be made to show how they contact for orders, how the orders are filled, the methods used in payment, and the type of documents which accompany the order.

Material in this report was obtained through personal interviews with several leaders in the lumber export field and with a representative of the United States bureau of Foreign and Domestic Commerce. Ideas and figures were gathered from articles published in trade magazines, United States Forest Service publications, and research papers written on the foreign trade of lumber. Information on the methods of payment was obtained from interviews, and a study of various books written on the economics of trade.
CHAPTER I
MARKETS

Oregon and Washington combined export more than 50 per cent of the total lumber exported from the United States. Ships carrying Northwest lumber visit all the important trading countries of the world. Europe, South America, Africa, Australia, and the Orient were formerly our largest customers. The "flow map" for Oregon and Washington lumber distribution shown in Figure 1 of the Appendix gives the most important markets for our lumber, and the amount they imported in 1932.

This "flow map" shows that during the year 1932 Japan and China were, by far, the most important customers for Oregon and Washington lumber exports. These two countries, combined, imported over 60% of the total lumber exported from the Northwest. Other countries taking considerable amounts of Northwest lumber in 1932 were United Kingdom and the Continent, New Zealand, Australia, Central and South America, and our Island possessions.

At present, due to the tumultuous world conditions with the resulting scarcity of available shipping space, the private export of lumber products has been cut to practically nothing. Figure 2 of the Appendix shows the total volume of West Coast exports in lumber for the years 1925 to 1940 inclusive.

This chart shows that the peak of the offshore export trade of west coast species was reached in 1928, when over 1,600,000,000 board feet of lumber was exported. After this peak year our exports showed a steady decline until 1932. From 1932 until 1940 the offshore trade followed closely the trends of the general business cycle with an all time low being reached in 1938. In 1940, the last year for which statistics are available, our exports totaled only a little over 350,000,000 board feet. The lack of up-to-date statistics is due to the war emergency. At present all information as to our volume of exports is closely guarded.
CHAPTER II
GROWTH OF EXPORTING FIRMS

The export of lumber in large quantities created the need for specialized firms dealing in foreign trade, firms which would have a knowledge of the problems involved to market our timber products abroad. Very early in our history the export merchant developed. He was usually a private individual, perhaps owning a small sawmill, who "time chartered" a small vessel, loaded it with lumber, and set forth to sell his product in foreign lands. As a knowledge of market conditions grew, this merchant developed into the highly organized lumber exporter we have today. Lumber exporters, who have their home office located in the Pacific Northwest, with branch offices located in all important trading countries of the world.

The desire of numerous small mills for a cooperative exporting firm which would work in their behalf resulted in the passage by Congress of the Webb-Pomerene Act in the early 1920's. This act was passed to allow the producing mills to combine, for the sale of their product abroad, without violating the Sherman Anti-Trust law. The member mills would be joint owners of the corporation and all orders contacted for by the company would be filled by the member mills. The Douglas Fir Export Company of Portland and Seattle and also the Pacific Forest Industries Company of Tacoma are two companies formed under this law. These companies handle lumber and plywood products respectively. The Webb act does not permit an export company, formed under this act, to participate in
in domestic trade; therefore, at present their activity is greatly curtailed.  

CHAPTER III

DUTIES OF THE LUMBER EXPORTER

The home offices of the Northwest lumber exporting companies are located in the three principal tidewater cities of this area, Portland, Tacoma, and Seattle. The home office handles all of the business pertaining to shipments, and also determines the policy of the concern.

ORDERS. When a foreign agent receives an order for a certain specified amount of material, that order is immediately cabled to the home office. When the specifications of the order are received from its foreign office or agency, the home office contacts the steamship offices for shipping space to be reserved at a certain date. If space can be obtained, then the exporter contacts the various mills within his territory, to discover if the specifications can be filled. If the order can be filled the information as to shipping date, specifications, and price is cabled back to the agent. If acceptable to the foreign customer, the reserved shipping space and tentative mill order are confirmed by the home office.

SHIPPING SPACE. Shipping space may be obtained by two methods. If the shipment is large and will require almost the entire capacity of a vessel, tramp steamers may be charted for the voyage. Formerly, the tramp steamers from Greece, Norway, and England carried a large share of our foreign shipments. When shipments are in parcel lots, or do not require the entire capacity of a vessel, the buying of shipping space
on scheduled vessels, that call at the port of destination, is the rule. Some very large exporters operate their own line of ships. These vessels sail wherever the destination of the cargo calls them. These are very rare instances, however, because only the largest exporters can finance such a line of ships.

**FILLING THE ORDER.** When an order has been received the exporter immediately begins to contact the lumber manufacturing plants, trying to get the specifications of the order filled. Often the exporter has to buy from several mills and assemble the various parcels before the specifications for the foreign shipment can be met. During other periods there may be a great demand for lumber products, making orders hard to place. It is not uncommon for a foreign customer to shop at several exporting firms, ultimately buying from the firm submitting the best offer.

The price quoted to the foreign customer is almost always on a "c.i.f." basis. That is; the exporter pays for the cost, insurance, and freight to the foreign port. This additional cost is added to the price which the exporter had to pay the lumber manufacturer. Some times if the exporter's agent is working on a commission basis, the bid from the home office is raised by a few percent to allow the agent to make a profit. A case like this would be; if the exporter decided he could profitably ship lumber to China for, $50 per thousand board feet, the exporter's agent would raise the delivered price to $52 or $53 per thousand board feet to cover the
The exporter and manufacturer agree between themselves whether the lumber should be bought f.o.b. mill or f.a.s. (free at shipside). Of course the price charged by the mill will reflect whichever method of delivery is used. "The quantity, grade, and condition shall be determined at supplying mill according the Export Grading Rules adopted by the West Coast Lumberman's Association and British Columbia Lumber and Shingle Manufacturers, ltd.,". A regularly approved inspector, licensed by the Pacific Lumber Inspection Bureau, Inc., and at the time acting in that capacity, inspects the shipment of lumber. On completion of the inspection, this approved inspector will furnish a certificate of the Pacific Lumber Inspection Bureau, Inc., certifying to the quantity, grade, and condition of the shipment. This certificate is declared before a notary public and countersigned by an authorized representative of the Bureau. For a number of years the certificate of the Pacific Lumber Inspection Bureau, Inc., has been accepted by buyers, sellers, steamship operators, and banking institutions as "prima facie" evidence of shipment.

1. J. Dant, Conversation, Dec. 1942.


It is the duty of the home office to make certain that the amount of cargo to be shipped is ready for shipment when the vessel arrives. Railroads formerly allowed about five days free time on all shipments bound for export. Therefore, exporters should make doubly sure the cars arrive in ample time for loading. A fine, called demurrage, is levied against the exporter for all the time, over and above what has been contracted for, that the vessel must wait for cargo.

LOADING THE VESSEL. Many small technicalities arise in loading a vessel. The parcel shipments destined to the last port of call should always be loaded first. If not enough space is available for the entire shipment, then cargo that is important should be loaded before any attempt is made to lift parcels that may go at a later date. The carrying capacity of the vessels usually varies considerably. Allowance should be made for this by having on hand several thousand board feet of extra lumber. Then, if the ship can carry this lumber in the space reserved for the shipment, no loss in freight charges will ensue to the exporter. Securing the proper amount of shipping space, and having the cargo arranged to facilitate loading, is the duty of a special representative called supercargo. An efficient supercargo may save the exporter several hundreds of dollars both in wages, freight charges, and demurrage.

Supercargo also has the responsibility of making sure that the clean (over the rail) certificate issued by the Pacific Lumber Inspection Bureau is properly made out. All lumber is checked over the rail by certified inspectors of the Pacific Lumber Inspection Bureau. If the cargo meets with the inspector's approval he will issue to the exporter a clean (over the rail) certificate. The form of this certificate reads; "The cargo of lumber shipped on board S.S. _____ bound for ______ and the said cargo has been shipped in good order and condition and consists of _______." A certificate of this description protects the shipper, foreign buyer, and also the steamship operator.

THE MATES RECEIPT. The Mates Receipt, figure 3 of the Appendix, is an added protection to the shipper in case some question arises about the shipment of goods. This receipt signed by the Supercargo and the Master or Chief Officer of the vessel, enumerates very definitely what articles were loaded, where they were stowed, and the total footage of the lumber.

MECHANICS OF PAYMENT. All foreign lumber shipments are sold on irrevocable letter-of-credit basis. The importer must pay for the cargo before the goods are delivered. The practice of the Northwest lumber exporters seems to be that the foreign importer must establish a letter-of-credit standing with a local Northwest bank before the order is filled.

---

A letter-of-credit standing is established when the exporter's bank notifies the exporter that he has been authorized to draw against the account of the importer's bank, a specified amount of money. This amount usually covers the cost of the lumber shipment in question. Therefore, as soon as the lumber shipment is loaded on the vessel and bound for delivery, the exporter presents the documented draft at the local bank for payment. If all the documents are in proper form, the draft is paid, less a small discount. The local bank will then send the documented draft to its correspondent bank in the importer's country. When the importer meets the terms of the draft he receives control of the shipment.

The draft may be either documents against acceptance (D/A), or documents against payment (D/P). The acceptance draft gives the importer possession of the goods upon his agreement to the terms of the draft. The documents against payment means that the importer cannot receive the goods until actual payment has been made. A letter of instruction to the collecting bank will state which of the two methods will be used.

By this means of international payment no loss to the exporter can ensue and he is completely protected at all times. This method of payment is especially valuable when dealing with backward countries or with importers of questionable financial standing.

1. J. Dant, Conversation, Dec. 1942.
DOCUMENTS. Documents usually accompanying the draft are; ocean order bill of lading, specification certificate, Pacific Lumber Inspection Bureau certificate, invoice and declaration of value, and a copy of the marine insurance. Although, countries have different requirements the documents mentioned above are most commonly used.

The ocean order bill of lading, figure 4 of the Appendix, is the essential document in making a shipment. It has three very important aspects. First, it is a receipt for the goods shipped. The typical ocean bill of lading begins with this statement, "Received at New York, by the ________ from the shipper named on the back hereof, the packages described in apparent good order and condition ________." "Second, it is a contract for the performance of certain services under stated conditions." Third, it also serves as evidence of ownership.

The ocean bill of lading also contains a great number of provisions which limit the liability of the carrier. There is no general liability which covers steamers, as there is in the case of railroads.

The order bill of lading is a negotiable instrument and can be used as a security for loans. By the use of the order bill of lading accompanying the draft, the terms of the draft must be met before the bill of lading will be turned over to the buyer. This is the basis of the documentary draft.

1. Ibid, p 255. 2. Ibid, p 255.
The specification certificate, figure 5 of the Appendix, is a statement issued by the exporter and subscribed to before a Notary Public, stating the grade, number of pieces, size, and total board footage of the shipment.

The certificate of the Pacific Lumber Inspection Bureau has been mentioned earlier. It is taken as definite proof that the stated cargo has been loaded for shipment.

Invoice and Declaration of value, figure 6 of the Appendix, is required by certain countries. This document states the nature of the goods shipped and their value.

The copy of marine insurance, figure 7 of the Appendix, states just what loss to the cargo is covered by the insurance policy. Cargo insurance on ocean shipments is very important because the steamship company assumes very little risk for the safe delivery of the goods.

FOREIGN OFFICE: The foreign office of an exporting firm may be represented by either a manufacturer's agent or a resident sales agent. Large exporters have manufacturer's agents located in the important, importing countries, but allow resident sales agents to distribute their goods in the countries of lesser importance.

The manufacturer's agent usually has been trained at the home office, and goes to the foreign country to open a branch office there.

The resident sales agent is usually a reliable, well-established, business firm, located in the strategic trading centers of the world. This agent is usually given the
exclusive right to sell and distribute the exporter's product within a certain designated area. These agents may handle the products from several different type of manufacturers and usually have very good channels for distributing the products they handle.

Whether the method of foreign distribution is through a branch office or a resident sales agent, the men in charge must be very aware of the mores and desires of the people with whom they are dealing. Peoples of different nations have their own peculiar quirks, the following are typical examples; China buys almost all lumber rough. With the cheap labor available in any Chinese town, the planing of the board is done by hand. This process gives the Chinese a larger board than if the finished lumber had been bought from the United States. South Africa never splices any flooring. All flooring must be bought floor length.

The foreign office representing the lumber exporting firm must continually contact buyers of lumber products either through trade papers or by personal contact. Their method of conducting business is not unlike our own. Competition for sales is usually keen, customs must be at all times respected, and all laws faithfully obeyed. As was stated previously the foreign buyer gives the importing agent specifications of the lumber desired. If the exporter

1. J. Dant, Conversation, Dec. 1942.
can fill the order to the satisfaction of the foreign buyer, the deal is closed.

When the shipment arrives the importer usually notifies the buyers that the order has arrived. If numerous orders are on the same boatload, the agent must see that each order goes to the proper party to whom it is due.
CHAPTER IV

ECONOMIC CONSIDERATIONS

To delve very deeply into the economic considerations involved in international trade would require far more space than could be covered within the brief scope of this paper. However, an attempt will be made to state very briefly some of the major considerations involved, when lumber exporters from Northwestern United States try to compete for world markets.

Almost every country of the world has developed a fierce, nationalistic spirit, within the last quarter century. This has manifested itself with rising tariff walls against foreign goods, regulated foreign exchange, strict regulation by the government of quota allotments on imports from foreign countries, preferential rates to favored nations, and many other artful methods, by which home production is stimulated for the benefit of the particular nation at the expense of the world.

The best example of the importance of the regulatory measures undertaken by the governments of the world can be obtained by a very brief look at the "Ottawa Preferential Trade Agreement" of 1932. This agreement provided for preferential trade rates among nations of the British Empire. The preferential rate on lumber products ranged from $2 per thousand board feet up to $7 per thousand feet. The effect of this agreement on northwest exports to the foreign countries can be seen by a glance at Figures 8 and 9 of the Appendix.
Figure 8 shows the total volume of lumber exports from Oregon and Washington to all foreign ports as compared with the lumber exports from British Columbia for the same period. This figure shows at a glance just how our exports to foreign ports dropped from the all-time high of over 1,600,000,000 board feet in 1928 to less than 300,000,000 board feet in 1938. During this same period British Columbia lumber exports rose from 350,000,000 board feet in 1928 to over 900,000,000 board feet in 1938.

Figure 9 shows the comparative volume of lumber shipped to the United Kingdom from the years 1926 to 1940. The shipments of lumber from Oregon and Washington to the United Kingdom remained fairly constant, whereas, the shipments from British Columbia rose very sharply after 1932.

In both charts the striking fact stands out, that after the "Ottawa Agreement" of 1932 British Columbia's export trade zoomed to new heights, whereas, the exports from Washington and Oregon stayed about the same or even fell in volume.

It would be unfair to say that this radical change in our export volume has been due to the "Ottawa Agreement" alone. British Columbia has been relatively free from the economic disturbances that have plagued the Oregon and Washington mills during recent years. Mill strikes,
longshoreman strikes, jurisdictional disputes between labor unions, and management difficulties all have tended to pull lumber exports away from Washington and Oregon, to British Columbia.

The unstable, world conditions of recent years are reflected in the prosperity or decline of the lumber export trade. For example, before the Shanghai incident, China and Japan constituted our most important open market. In 1935 they alone accounted for 506 million board feet of northwest lumber. After the Shanghai incident our exports to these countries soon dropped to 116 million board feet.

---

CHAPTER V

FUTURE EXPORT TRADE

At the present time, with every important trading nation at war, and with practically no private foreign trade, it would be foolhardy to attempt to foresee just what course the events of the future will follow. Foreign trade of the future will largely be guided by the economic and competitive barriers which it will have to face. Will the countries, now at war, have credit with which to pay for the goods they will so vitally need? Will the tariff walls, quota restrictions, control of the export and import credits, and the many other circuitous methods of control of foreign trade, be removed? Will racial hatred and competition from other timber growing nations limit our markets? These and many other vital questions will have to be satisfactorily solved before the northwest lumber exporter will again assume the leading role, in foreign trade, which he held for so long.
SUMMARY

This report gives a brief overall view of the place that the lumber exporter holds in the economic and business world of the Northwest. It describes some of the functions they have to perform, how they conduct their business, and some of the difficulties they encounter. The report also shows the value of our exports in the past and what the trend of our export lumber business has been.
BIBLIOGRAPHY


Figure I

Foreign Distribution of Oregon
Lumber Year 1932
from Chart by
Oregon State Planning Board
figures in (000) $Am.

Figure II

Foreign Distribution Washington
Lumber Year 1932
from Chart by
Pac. M.W. Forest Experiment Station
figures in (000) f.b.m.
VOLUME OF EXPORTS
WEST COAST SPECIES
1925 - 1940
Taken from Lbr. Ind. Facts-1941
Received from The Clark and Wilson Lumber Company of Delaware in good order and condition on board the ___________ the following:

<table>
<thead>
<tr>
<th>OUR ORDER</th>
<th>YOUR ORDER</th>
<th>LOT</th>
<th>MARK</th>
<th>PIECES OR BUNDLES</th>
<th>DESCRIPTION</th>
<th>FOOTAGE</th>
<th>STOWAGE (DECK)</th>
</tr>
</thead>
</table>

Certified Correct

Super Cargo

Bill of Lading to be delivered to Holder or Endorsee of and on surrender of this receipt.
Pope & Talbot, Inc.
McCORMICK STEAMSHIP COMPANY
DIVISION
INTERCOASTAL SERVICE

Received from
Steamship
From
Consigned to order of
Notify
For Transshipment at

Voy. No.
B/L No.
Via
Pro. No.

<table>
<thead>
<tr>
<th>MARKS AND NUMBERS</th>
<th>QUANTITIES</th>
<th>CLASS AND CONTENTS OF PACKAGES</th>
<th>SAID TO WEIGH OR MEASURE</th>
<th>RATE</th>
<th>FREIGHT AND CHARGES</th>
</tr>
</thead>
</table>

ORDER BILL OF LADING

Dated at this
day of 194

POPE & TALBOT, INC.
McCORMICK STEAMSHIP COMPANY
DIVISION
AGENTS FOR CARRIER

By

THIS BILL OF LADING MUST BE SURRENDERED BEFORE DELIVERY

Inland Freight
Insurance Premium
To Apply Beyond
Pac. Coast Term. Chgs.
At. Coast Term. Chgs.

<table>
<thead>
<tr>
<th>TOTAL COLLECT</th>
<th>TOTAL PREPAID</th>
</tr>
</thead>
</table>

FORM 409- PRINTED IN U. S. A.
BILLY OF LADING

Subject to Terms of This Contract, Which Are Hereby Mutually Agreed Upon As Follows:

RECEIVED for shipment in good order and condition, various packages or articles of goods and/or wares and/or commodities of whatsoever description and nature, on board of the ship or vessel, the name, number and description of which shall be contained in the bill of lading, of which the present constitutes a part and is hereinafter referred to in this contract as the "Vessel" or "Vessels", and on board of the carriage or conveyance within, and subject to the conditions and terms herein set forth, and to be delivered at the port to which or into the possession of the person or persons, or to the order of the person or persons named or described on said bill of lading, or at such other place as the Carrier may direct.

In consideration of the receipt of said goods and/or wares and/or commodities, the Carrier agrees to receive, carry and forward the same, and deliver the same at the place or places and the time or times as may be designated on said bill of lading, and to perform all the acts and services therein required or prescribed, and to deliver said goods and/or wares and/or commodities to the order of the person or persons named or described on said bill of lading, or to the person or persons, or to the order of the person or persons named or described on said bill of lading, or at such other place as the Carrier may direct.

SHIPPING TERMS:

The shipping terms are as follows: F.O.B. (Free On Board) somewhere (place), where the goods are to be loaded at the carrier's expense. The carrier shall be responsible for the safe delivery of the goods to the destination specified on the bill of lading. In the event of any loss or damage to the goods during shipment, the carrier shall be liable for the full value of the goods, unless it can be shown that the loss or damage is due to causes beyond the carrier's control, including but not limited to acts of God, public enemies, notorious or notoriety, or other causes beyond the carrier's actual control.

TRANSPORTATION:

The goods shall be transported by sea, rail, or road, or by any other means of transportation as may be deemed necessary by the carrier. The carrier shall use due diligence to ensure the safe and timely delivery of the goods to the destination specified on the bill of lading.

CLAIMS:

Any claim for loss or damage to the goods must be made in writing within 60 days of receipt of the goods at the destination, and the claim shall be supported by evidence of the nature and extent of the loss or damage.

WAIVER:

No waiver by the carrier of any of its rights or remedies under this contract shall be deemed a waiver of any other right or remedy, and no course of conduct or failure to enforce any right or remedy under this contract shall be deemed a bar to any other or further exercise or enforcement of any right or remedy.

INFLATION:

Any increase in transportation charges or any other charges incurred by the carrier as a result of inflation shall be passed on to the shipper, consignee, and owner of the goods, and such charges shall be paid by the shipper, consignee, and owner of the goods.

DISCLAIMER OF LIABILITY:

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

LIENS:

Any lien that may be incident to the carriage of the goods shall be subject to the provisions of the applicable maritime law.

INVOICE:

An invoice of the value of the goods shall be attached to the bill of lading as a part of the contract, and the same shall be the only basis for any claim or demand for payment.

ARBITRATION:

Any dispute arising out of or in connection with this contract shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

INFORMATION:

The carrier shall provide the shipper, consignee, and owner of the goods with all necessary information concerning the status of the goods during transportation.

CONSIGNEE:

The consignee shall have the right to inspect and receive the goods at the destination, and the consignee shall be responsible for the safe delivery of the goods to the consignee.

OWNER:

The owner of the goods shall be responsible for the payment of all charges and expenses incident to the transportation of the goods, and the owner shall be liable for any loss or damage to the goods in the event that the carrier is not liable.

INVOICING:

The invoice shall be in accordance with the terms and conditions specified in this contract, and the same shall be subject to the terms and conditions hereof.

REJECTION:

The carrier shall have the right to reject any goods that are not in good order and condition, and the carrier shall have the right to refuse to carry any goods that are not properly stowed or packed.

Notwithstanding that any lien therefor has been surrendered, full freight and charges shall be payable, and the goods shall not be abandoned and barred. Should a package consist of several parcels for more than one person, full freight and charges shall be payable for all packages, and each shipper, consignee, and owner of the goods shall be jointly and severally liable for the payment of the freight and charges.

The ownership of the goods and the risk of loss or damage shall pass to the consignee or owner when the goods are received by the consignee or owner.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.

The carrier shall not be liable for any loss or damage to the goods caused by the carrier's negligence, except in so far as the carrier shall be liable by law.
BILL OF LADING

RECEIVED from the Shipper hereinafter named, the goods or packages said to contain goods hereinafter mentioned, in apparent good order and condition, unless otherwise indicated in this bill of lading, to be transported subject to all the terms of this bill of lading with liberty to proceed via any port or ports within the scope of the voyage described herein, to the port of discharge or so near thereunto as the ship can always safely get and leave, always afloat at all stages and conditions of water and weather, and there to be delivered or transshipped on payment of the charges thereon. If the goods in whole or in part are shut out from the ship named herein for any cause, the Carrier shall have liberty to forward them under the terms of this bill of lading on the next available ship.

It is agreed that the custody and carriage of the goods are subject to the following terms on the face and back hereof which shall govern the relations, whatsoever they may be, between the shipper, consignee, and the Carrier, Master and ship in every contingency, wheresoever and whensoever occurring, and also in the event of deviation, of unseaworthiness of the ship at the time of loading or inception of the voyage or subsequently, and none of the terms of this bill of lading shall be deemed to have been waived by the Carrier unless by express waiver signed by a duly authorized agent of the Carrier.

IN ACCEPTING THIS BILL OF LADING the shipper, consignee and owner of the goods agree to be bound by all of its stipulations, exceptions, and conditions, whether written, printed, or stamped on the front or back hereof, any local customs or privileges to the contrary notwithstanding.

IN WITNESS WHEREOF, the Master of the said ship has affirmed to (Number) bills of lading, all of this tenor and date, ONE of which being accomplished, the others to stand void.

IN WITNESS WHEREOF, the Master of the said ship has affirmed to (Number) bills of lading, all of this tenor and date, ONE of which being accomplished, the others to stand void.

Dated at ________________________

BY ________________________

FOR THE MASTER

McCORMICK STEAMSHIP COMPANY

Division

By: ________________________
as Agent for the Master.

By: ________________________

B/L No.
1. This bill of lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States and any other laws and regulations pertaining thereto, and of the Convention for the Unification of Certain Rules Relating to International Carriage by Sea approved by the International Conference of American States. Any differences arising out of or in connection with this bill of lading or the goods shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon any award so made may be enforced in any court of competent jurisdiction.

2. The Carrier shall be entitled to the full benefit of all rights, liens and security interests insured by all statutes, regulations and of record, including all choses in action against the shipper, consignee, or owner of the goods, or any other person alleged to have interest therein. Subject to the provisions of Paragraph 7 hereof, the Carrier may, in its discretion, require the shipper or any other person alleged to have interest therein, to give a deposit for the full value of the goods, or to give a bond, or execute other security, or assume the management of the goods, and all such deposit shall, at the option of the Carrier, be payable in United States money and be remitted to the adjuster. When pending settlement of the General Average and refunds or credit balances, if any, shall be paid in United States money.

3. The Carrier, Master and ship shall have liberty to comply with any orders or directions in the interest of the safety of the ship, her owners or consignees, or of the goods, and the provisions of this bill of lading shall be subject to such orders or directions.

4. The Carrier, Master and ship shall have liberty to forestall all claims for goods shipped in the holding or stowed or stored at the request of any person, whether or not endorsed as consignee, or any person alleged to have interest therein, by goods shipped for another or by goods shipped otherwise, and in the event of any such claims, the Carrier shall have the beneficial interest therein, whereupon the provisions of Paragraph 6 hereof shall apply.

5. The Carrier, Master and ship shall have the exclusive control and possession of the goods, and the provisions hereof shall not be confined to the carrier used in the performance of this contract; the ship may carry in her hold any other goods or property whatsoever that may be loaded onto her at any port of loading or discharge, including goods or property that is not shipped under this bill of lading, and the carrier, Master, employees, and agents shall have freedom of choice in the process of refrigeration unless shown to have been caused by negligence of the Carrier.

6. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring while the goods are in the possession of the Carrier, the ship, her owners or consignees, or any person alleged to have interest therein, nor for any loss or damage occasioned by any collision, capsizing, stranding, or destruction of the ship into which said goods were shipped, or by the leak of said ship, or by strikes, civil commotion, insurrection, or revolution, or by any other cause beyond the control of the Carrier.

7. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring after such loading, either with or without the goods or passengers on board, and before or after the ship is unladen at or leaving the port of discharge or the usual or agreed place of discharge in such port, the Carrier may before or after the ship is unladen depart from the direct or customary route, and includes all canals, straits and sounds, and the Carrier shall be entitled to the full benefit of all rights, liens and security interests insured by any statutes, regulations and of record, including all choses in action against the shipper, consignee, or owner of the goods, or any other person alleged to have interest therein, and all such deposit shall, at the option of the Carrier, be payable in United States money and be remitted to the adjuster. When pending settlement of the General Average and refunds or credit balances, if any, shall be paid in United States money.

8. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring in the process of refrigeration unless shown to have been caused by negligence of the Carrier.

9. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring in the process of refrigeration unless shown to have been caused by negligence of the Master or agents of the Carrier.

10. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring while the goods are in the possession of the Carrier, the ship, her owners or consignees, or any person alleged to have interest therein, nor for any loss or damage occasioned by any collision, capsizing, stranding, or destruction of the ship into which said goods were shipped, or by the leak of said ship, or by strikes, civil commotion, insurrection, or revolution, or by any other cause beyond the control of the Carrier.

11. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring after such loading, either with or without the goods or passengers on board, and before or after the ship is unladen at or leaving the port of discharge or the usual or agreed place of discharge in such port, the Carrier may before or after the ship is unladen depart from the direct or customary route, and includes all canals, straits and sounds, and the Carrier shall be entitled to the full benefit of all rights, liens and security interests insured by any statutes, regulations and of record, including all choses in action against the shipper, consignee, or owner of the goods, or any other person alleged to have interest therein, and all such deposit shall, at the option of the Carrier, be payable in United States money and be remitted to the adjuster. When pending settlement of the General Average and refunds or credit balances, if any, shall be paid in United States money.

12. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring while the goods are in the possession of the Carrier, the ship, her owners or consignees, or any person alleged to have interest therein, nor for any loss or damage occasioned by any collision, capsizing, stranding, or destruction of the ship into which said goods were shipped, or by the leak of said ship, or by strikes, civil commotion, insurrection, or revolution, or by any other cause beyond the control of the Carrier.

13. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring after such loading, either with or without the goods or passengers on board, and before or after the ship is unladen at or leaving the port of discharge or the usual or agreed place of discharge in such port, the Carrier may before or after the ship is unladen depart from the direct or customary route, and includes all canals, straits and sounds, and the Carrier shall be entitled to the full benefit of all rights, liens and security interests insured by any statutes, regulations and of record, including all choses in action against the shipper, consignee, or owner of the goods, or any other person alleged to have interest therein, and all such deposit shall, at the option of the Carrier, be payable in United States money and be remitted to the adjuster. When pending settlement of the General Average and refunds or credit balances, if any, shall be paid in United States money.

14. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring while the goods are in the possession of the Carrier, the ship, her owners or consignees, or any person alleged to have interest therein, nor for any loss or damage occasioned by any collision, capsizing, stranding, or destruction of the ship into which said goods were shipped, or by the leak of said ship, or by strikes, civil commotion, insurrection, or revolution, or by any other cause beyond the control of the Carrier.

15. The Carrier shall not be liable for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring after such loading, either with or without the goods or passengers on board, and before or after the ship is unladen at or leaving the port of discharge or the usual or agreed place of discharge in such port, the Carrier may before or after the ship is unladen depart from the direct or customary route, and includes all canals, straits and sounds, and the Carrier shall be entitled to the full benefit of all rights, liens and security interests insured by any statutes, regulations and of record, including all choses in action against the shipper, consignee, or owner of the goods, or any other person alleged to have interest therein, and all such deposit shall, at the option of the Carrier, be payable in United States money and be remitted to the adjuster. When pending settlement of the General Average and refunds or credit balances, if any, shall be paid in United States money.
SPECIFICATION OF CARGO SHIPPED FROM

TO

VIA

DECK DESTINATION

OUR ORDER NO. YOUR ORDER NO. MARK

— the undersigned inspector of The Clark and Wilson Lumber Company, hereby certify that personally inspected and tallied, according to the grading rules contained in List No. 10 and supplements thereto, adopted by the West Coast Lumberman’s Association, on July 1, 1934, the above material, manifested hereon, and that the same was in good order and condition at time of inspection, on

Subscribed to before me, a Notary Public in and for the State of Oregon, this day of

Countersigned

For The Clark and Wilson Lumber Company

Notary Public

My Commission Expires

PIECES SIZE LENGTH LINEAL FEET BOARD FEET PIECES SIZE LENGTH LINEAL FEET BOARD FEET
COPY OF INVOICE

The Clark and Wilson Lumber Company

10504 N. W. ST. HELENS RD.

Portland 9, Oregon,

Our Order No.
Your Order No.
Ship Via
Terms:

Sold to
Ship to

Invoice
Car Initials
Car No.
Date Shipped
TO THE
FIREMAN'S FUND INSURANCE COMPANY

DECLARATION

ON

NUMBER OF PACKAGES

<table>
<thead>
<tr>
<th>INVOICE COST</th>
<th>Dollars</th>
<th>Cents</th>
<th>INVOCIE COST</th>
<th>Dollars</th>
<th>Cents</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLUS 10%</td>
<td></td>
<td></td>
<td>PLUS FREIGHT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLUS FREIGHT</td>
<td></td>
<td></td>
<td>PLUS 10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DUTY IF TO BE INSURED</td>
<td></td>
<td></td>
<td>DUTY IF TO BE INSURED</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SHIPPED ON BOARD

BILL OF LADING DATED

FROM

TO

$ RATE  % PREMIUM $

DATE ________________________ 19
DECLARATION BY

ON

NUMBER OF PACKAGES

<table>
<thead>
<tr>
<th>TO BE INSURED AT</th>
<th>INVOICE COST</th>
<th>Dollars</th>
<th>Cents</th>
<th>INVOICE COST</th>
<th>Dollars</th>
<th>Cents</th>
<th>NO. REG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLUS 10%</td>
<td>PLUS 10%</td>
<td></td>
<td></td>
<td>PLUS FREIGHT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLUS FREIGHT</td>
<td>PLUS FREIGHT</td>
<td></td>
<td></td>
<td>PLUS FREIGHT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>TOTAL</td>
<td></td>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DUTY IF TO BE INSURED</td>
<td>DUTY IF TO BE INSURED</td>
<td></td>
<td></td>
<td>DUTY IF TO BE INSURED</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SHIPPED ON BOARD

BILL OF LADING DATED

FROM

TO

$ RATE % PREMIUM $

DATE 19

NEW BOOK REQUIRED
TO ALL FOREIGN PORTS

Legend:
- From British Columbia
- From Washington and Oregon

TO UNITED KINGDOM

Legend:
- From British Columbia
- From Washington and Oregon

Water Shipments of lumber from Washington, Oregon, and British Columbia

Taken from Lumber Industry Facts - 1941, p.36
**INDEX**

<table>
<thead>
<tr>
<th>Acknowledgments</th>
<th>Page 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix</td>
<td>25</td>
</tr>
<tr>
<td>Figure 1</td>
<td></td>
</tr>
<tr>
<td>Figure 2</td>
<td></td>
</tr>
<tr>
<td>Mates Receipt</td>
<td></td>
</tr>
<tr>
<td>Ocean Bill of Lading</td>
<td></td>
</tr>
<tr>
<td>Specification</td>
<td></td>
</tr>
<tr>
<td>Invoice</td>
<td></td>
</tr>
<tr>
<td>Marine Insurance</td>
<td></td>
</tr>
<tr>
<td>Figure 8</td>
<td></td>
</tr>
<tr>
<td>Figure 9</td>
<td></td>
</tr>
<tr>
<td>Approval Sheet and Title</td>
<td>1</td>
</tr>
<tr>
<td>Bibliography</td>
<td>24</td>
</tr>
<tr>
<td>Bill of Lading</td>
<td>15</td>
</tr>
<tr>
<td>c.i.f.</td>
<td>10</td>
</tr>
<tr>
<td>Documented draft</td>
<td>14</td>
</tr>
<tr>
<td>Documents</td>
<td>15</td>
</tr>
<tr>
<td>Duties of Lumber Exporters</td>
<td>9</td>
</tr>
<tr>
<td>Economic Considerations</td>
<td>19</td>
</tr>
<tr>
<td>Export Corporations</td>
<td>7</td>
</tr>
<tr>
<td>Filling the Orders</td>
<td>10</td>
</tr>
<tr>
<td>Foreign Office</td>
<td>16</td>
</tr>
<tr>
<td>Future Export Trade</td>
<td>22</td>
</tr>
<tr>
<td>Growth of Exporting Firms</td>
<td>7</td>
</tr>
<tr>
<td>Index</td>
<td>26</td>
</tr>
<tr>
<td>Introduction</td>
<td>4</td>
</tr>
<tr>
<td>Invoice and Declaration of Value</td>
<td>16</td>
</tr>
<tr>
<td>Loading the Vessel</td>
<td>12</td>
</tr>
<tr>
<td>Manufacturer’s Agent</td>
<td>16</td>
</tr>
<tr>
<td>Marine Insurance</td>
<td>15</td>
</tr>
<tr>
<td>Markets</td>
<td>5</td>
</tr>
<tr>
<td>Mates Receipt</td>
<td>13</td>
</tr>
<tr>
<td>Mechanics of Payment</td>
<td>13</td>
</tr>
<tr>
<td>Orders</td>
<td>9</td>
</tr>
<tr>
<td>Ottawa Agreement</td>
<td>19</td>
</tr>
<tr>
<td>Over the rail certificate</td>
<td>13</td>
</tr>
<tr>
<td>Pacific Lumber Inspection Bureau</td>
<td>13</td>
</tr>
<tr>
<td>Private lumber exporters</td>
<td>7</td>
</tr>
<tr>
<td>Resident Sales Agent</td>
<td>16</td>
</tr>
<tr>
<td>Shipping space</td>
<td>9</td>
</tr>
<tr>
<td>Specification Certificate</td>
<td>9</td>
</tr>
<tr>
<td>Summary</td>
<td>23</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>3</td>
</tr>
<tr>
<td>Webb-Pomerene Act</td>
<td>7</td>
</tr>
</tbody>
</table>