

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.

Permanized
OLD RELIABLE BOND
SAC CONTENT

Table of Contents

| | Page |
|-------------------------------------|------|
| 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 Offices ----- | 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.¹ 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.

1. Where Pacific Coast Export Business has Gone--The Remedy, L. J. Wentworth, West Coast Lumberman, Vol. 63, May 1936, pp 38 and 48.

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.¹

1. L. J. Wentworth, Conversation, April 1943.

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 chartered 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

expense he has incurred in obtaining the order and also to allow for a margin of profit.¹

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.,"² 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.³ 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.⁴

-
1. J. Dant, Conversation, Dec. 1942.
 2. Export Grading Rules of Douglas Fir, Pacific Hemlock, Sitka Spruce, and Western Red Cedar Lumber, Pacific Lumber Inspection Bureau, Inc., Seattle, Washington, p.4.
 3. Export Grading Rules, Pacific Lumber Inspection Bureau, Inc., Seattle, Washington, p.5.
 4. Brereton, Bernard, Lumber and Log Exporters Guide, Seattle, Washington, 1936, pp 23 and 24.

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. Rail roads 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.¹

1. Brereton, Bernard, Lumber and Log Exporters Guide, Seattle, Washington, 1936, p. 22.

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 _____." ¹

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.

1. Brereton, Bernard, Lumber and Log Exporters Guide, Seattle, Washington, 1936, p. 21.

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 draft¹ 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 methods² 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.
 2. Griffin, C. E., Principles of Foreign Trade, The Macmillan Co., New York, New York, January 1936, p 251.

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 _____¹ in apparant good order and condition _____." "Second, it is a contract for the performance of certain services under stated conditions."² 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 floor-¹ing. 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 exports¹ to these countries soon dropped to 116 million board feet.

-
1. West Coast Lumber Facts, West Coast Lumberman's Association, Seattle, Wash., April 1941.

Preserved

OLD RELIABLE BOND

READ CONTENT

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.

Revised

BIBLIOGRAPHY

1. Brereton, Bernard, Lumber and Log Exporters Guide, Seattle, Washington, 1936.
2. Export Grading Rules of Douglas Fir, Pacific Hemlock, Sitka Spruce, and Western Red Cedar Lumber, Pacific Lumber Inspection Bureau, Inc., Seattle, Washington.
3. Graphic Review of the Lumber Industry, West Coast Lumberman's Association, Seattle, Washington, Jan. 1940.
4. Griffin, C. E., Principles of Foreign Trade, The Macmillan Company, New York, New York, Jan. 1936.
5. Lumber Distribution of Oregon and Washington for Year 1934, U. S. D. A. Forest Service, Pacific Northwest Forest Experiment Station, Sept. 11, 1936.
6. Lumber Industry Facts, National Lumber Manufacturers Association, Washington, D. C., 1941.
7. A Study of Lumber Shipments, Oregon State Planning Board, State Printing Department, Salem, Oregon, April 1, 1936.
8. West Coast Lumber Facts, West Coast Lumberman's Association, Seattle, Washington, April 1941.
9. Where Pacific Coast Export Business has Gone - The Remedy, L. J. Wentworth, West Coast Lumberman, Vol. 63, May 1936, pp. 38 and 48.

Figure I

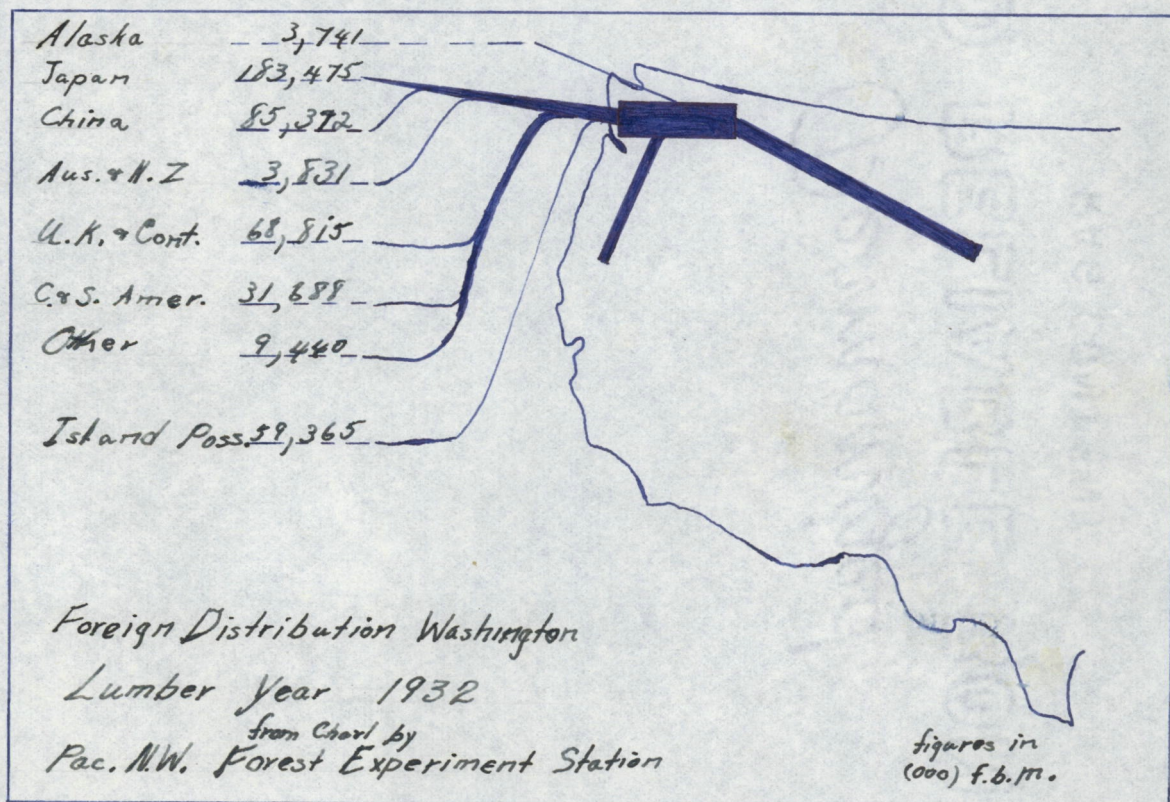
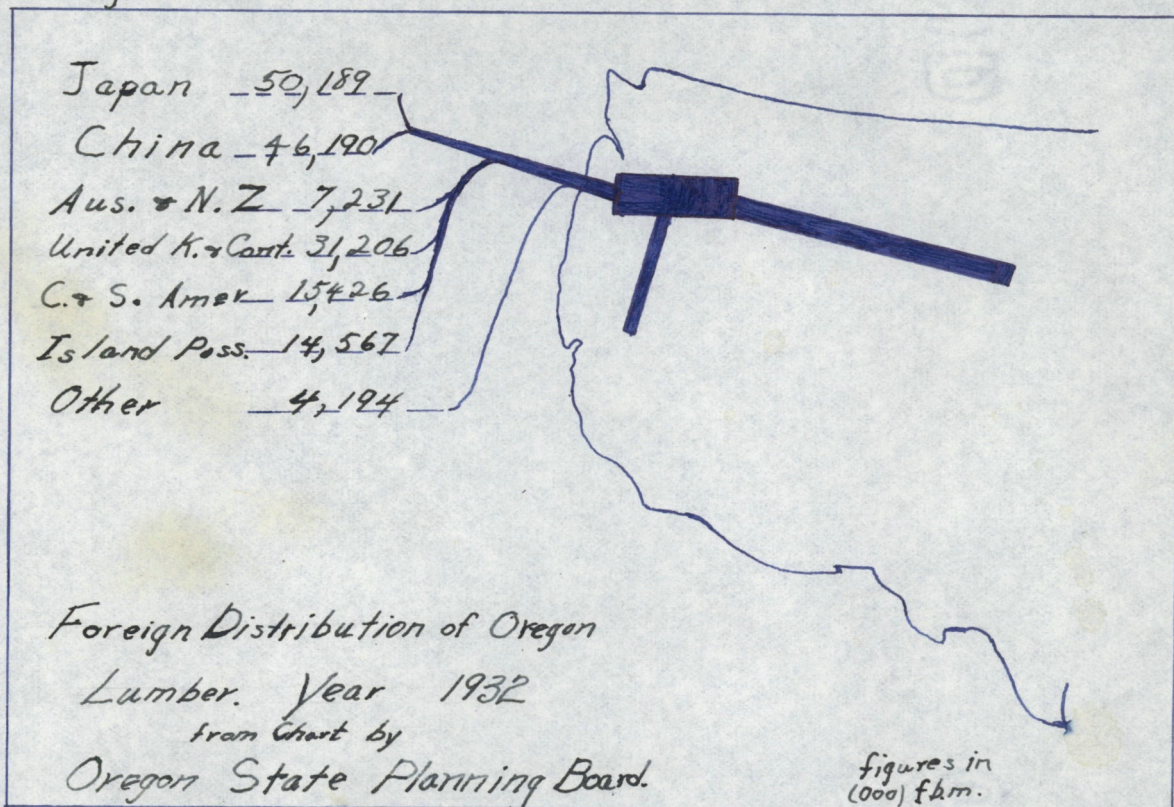


FIGURE 2

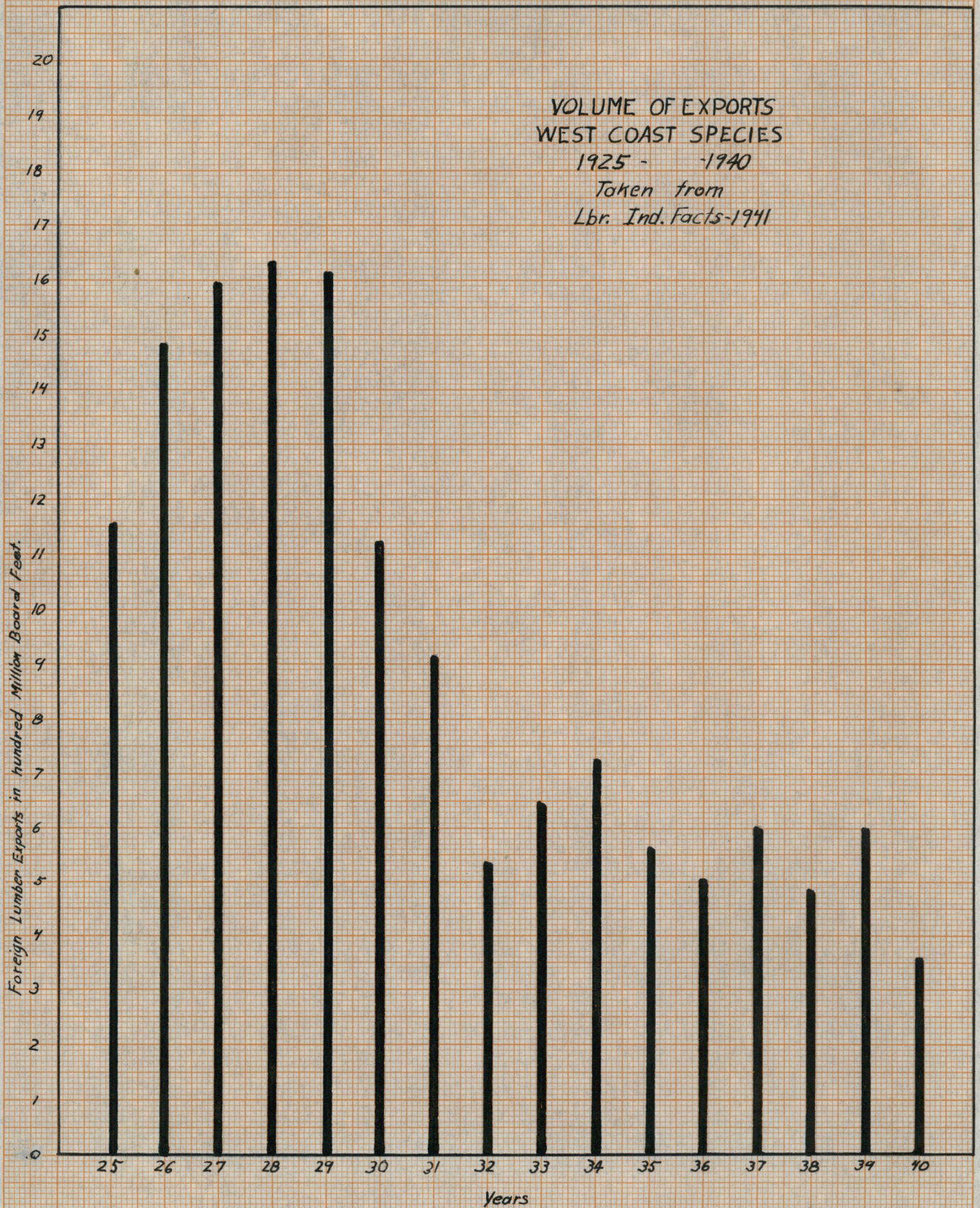


Figure 3

OF DELAWARE

(FIGURES TO BE IN ACCORDANCE WITH _____ TALLY)

BILL OF LADING TO BE DELIVERED TO HOLDER OR ENDORSEE OF AND ON SURRENDER OF THIS RECEIPT.

OFFICES
 GARRETT BUILDING
 BALTIMORE, MD.
 DREXEL BUILDING
 PHILADELPHIA, PA.
 KOPPERS BUILDING
 PITTSBURGH, PA.
 LAMBERTS PT. DOCKS, INC.
 NORFOLK, VA.
 c/o UNITED S. S. AGENCIES
 333 No. MICHIGAN AVE.
 CHICAGO, ILL.
 PIER NO. 5
 SAN JUAN, P. R.
 1265 HARBOR STREET
 SAN DIEGO, CALIF.

POPE & TALBOT, INC.
MCCORMICK STEAMSHIP COMPANY
 DIVISION
 INTERCOASTAL SERVICE

GENERAL OFFICE
 461 MARKET STREET
 SAN FRANCISCO, CALIF.

GENERAL ATLANTIC COAST OFFICE
 17 BATTERY PLACE
 NEW YORK, N. Y.

OFFICES
 601 WEST 5TH STREET
 LOS ANGELES, CALIF.
 BERTHS 177-178
 WILMINGTON, CALIF.
 9TH AVENUE TERMINAL
 OAKLAND, CALIF.
 DEEP WATER TERMINAL
 STOCKTON, CALIF.
 MCCORMICK TERMINAL
 PORTLAND, OREGON
 MCCORMICK TERMINAL
 SEATTLE, WASH.
 MCCORMICK TERMINAL
 TACOMA, WASH.
 801 PAULSEN BLDG.
 SPOKANE, WASH.

Received from

Steamship

Voy. No.

B/L No.

From

unto the PORT OF

Via

Consigned to order of

Pro. No.

Notify

For Transshipment at

To

| MARKS AND NUMBERS | QUANTITIES | CLASS AND CONTENTS OF PACKAGES | SAID TO WEIGH OR MEASURE | RATE | FREIGHT AND CHARGES |
|----------------------|------------|--------------------------------|-----------------------------|------|------------------------|
| 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. _____

| TOTAL COLLECT | TOTAL PREPAID |
|---------------|---------------|
| | |

7. If the vessel is prevented or delayed by quarantine from discharging goods at the usual place of delivery, the Carrier may forthwith and without notice discharge goods into any depot, lazaretto, craft, or other place at the port of destination or any other port at which the vessel calls, and such discharge shall be a complete delivery under this contract.

16. AND FINALLY in accepting this bill of lading, the shipper, owner and consignee of the Goods and the holder of the bill of lading agree to be bound by all of its stipulations, exceptions and conditions, whether written or printed, as fully as if they were all signed by such shipper, owner, consignee or holder, any local customs or privileges to the contrary notwithstanding. No agent or employee of the Carrier shall have authority to waive any provision, exception or condition of this bill of lading, and the Carrier, its agents and employees shall be bound by whatever arising out of this bill of lading shall, at the option of the Carrier, be deemed to have occurred in San Francisco, California, or in any other place in the United States of America, to the exclusion of any actions or proceedings in the courts of any other country.

(CONTINUED ON OVER PAGE)

WAR SHIPLADING
7-1-42

POPE & TALBOT, INC.

Figure 4

OFFICES
GARRETT BUILDING
BALTIMORE, MD.
DREXEL BUILDING
PHILADELPHIA, PA.
LAMBERTS PT. DOCKS, INC.
NORFOLK, VA.
PIER No. 5
SAN JUAN, P. R.

McCormick Steamship Company

GENERAL OFFICE
461 MARKET STREET
SAN FRANCISCO, CALIF.

DIVISION

GENERAL ATLANTIC COAST OFFICE
17 BATTERY PLACE
NEW YORK, N. Y.

OFFICES
714 WEST OLYMPIC BLVD.
LOS ANGELES, CALIF.
BERTH 146
WILMINGTON, CALIF.
McCORMICK TERMINAL
PORTLAND, OREGON
McCORMICK TERMINAL
SEATTLE, WASHINGTON

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, or 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:

Ship: {M.S.
{S.S. Voyage No.

Port of Loading.....

Shipper:.....

Consignee: Order of.....or assigns.....

If consigned to Shipper's Order arrival notice to be addressed to.....

(Without liability to carrier, see Clause 12 hereof)

Port of Discharge from Ship:.....
(If goods to be transshipped at port of discharge):

Destination of Goods:.....
(See Clause 11 hereof):

THE SCOPE OF THE VOYAGE IS DESCRIBED IN CLAUSE 3 HEREOF PARTICULARS FURNISHED BY SHIPPER OF GOODS

| Marks and Numbers | Quantity or Number of Pieces or Packages | DESCRIPTION OF GOODS | Gross Weight Pounds | Measurement |
|---|---|----------------------|--------------------------|-------------|
| SPECIAL CLAUSES FOR PARTICULAR TRADING | | | | |
| @..... | | | per 100 lbs. | \$..... |
| @..... | | | per 2240 lbs. | \$..... |
| ft. in. @..... | | | per cubic ft. | \$..... |
| ft. in. @..... | | | per 40 cubic ft. | \$..... |
| @..... | | | | \$..... |
| @..... | | | | \$..... |
| *FREIGHT TO BE PREPAID—TO COLLECT | | | | \$..... |
| *(Cross out words not applicable) | | | | \$..... |

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.

Dated at.....

FOR THE MASTER
Pope & Talbot, Inc.
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 of America, approved April 16, 1936, which shall be deemed to be incorporated herein, and nothing herein contained shall be deemed a surrender by the Carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said Act. The provisions stated in said Act (except as may be otherwise specifically provided herein) shall govern before the goods are loaded on and after they are discharged from the ship and throughout the entire time the goods are in the custody of the Carrier. The Carrier shall not be liable in any capacity whatsoever for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring while the goods are not in the actual custody of the Carrier. If this bill of lading is issued in a locality where there is in force a Carriage of Goods by Sea Act or Ordinance or Statute of a similar nature to the International Convention for the Unification of Certain Rules Relating to Bills of Lading at Brussels of August 25, 1924, it is subject to the provisions stated in such Act, Ordinance and rules thereto annexed which may be in effect where this bill of lading is issued.

(a) The Carrier shall be entitled to the full benefit of, and right to, all limitations of, or exemptions from, liability authorized by any provisions of Sections 4281 to 4286 of the Revised Statutes of the United States and amendments thereto and of any other provisions of the laws of the United States or of any other country whose laws shall apply. If the ship is not owned by or chartered by demise to the War Shipping Administration or the Company designated herein (as may be the case notwithstanding anything that appears to the contrary) this bill of lading shall take effect only as a contract with the owner or demise charterer, as the case may be, as principal, made through the agency of the War Shipping Administration or the Company designated herein which acts as agent only and shall be under no personal liability whatsoever in respect thereof. If, however, it shall be adjudged that any other than the owner or demise charterer is carrier and/or bailee of the goods all limitations of and exonerations from liability provided by law or by the terms hereof shall be available to such other.

2. In this bill of lading the word "ship" shall include any substituted vessel, and any craft, lighter or other means of conveyance owned, chartered or operated by the Carrier used in the performance of this contract; the word "Carrier" shall include the ship, her owner, master, operator, demise charterer, and if bound hereby the time charterer, and any substituted carrier, whether the owner, operator, charterer, or master shall be acting as carrier or bailee; the word "shipper" shall include the person named as such in this bill of lading and the person for whose account the goods are shipped; the word "consignee" shall include the holder of the bill of lading, properly endorsed, and the receiver and the owner of the goods; the word "charges" shall include freight and all expenses and money obligations incurred and payable by the goods, shipper, consignee, or any of them.

3. The scope of voyage herein contracted for shall include usual or customary or advertised ports of call whether named in this contract or not, also ports in or out of the advertised, geographical, usual or ordinary route or order, even though in proceeding thereto the ship may sail beyond the port of discharge or in a direction contrary thereto or return to the original port, or depart from the direct or customary route, and includes all canals, straits and other waters. The ship may call at any port for the purposes of the current voyage or of a prior or subsequent voyage. The ship may omit calling at any port or ports whether scheduled or not, and may call at the same port more than once; may for matters occurring before loading the goods, known or unknown at the time of such loading and matters occurring after such loading, either with or without the goods or passengers on board, and before or after proceeding toward the port of discharge, adjust compasses, dry dock, with or without cargo aboard on ways or to repair yards, shift berths, make trial trips or tests, take fuel or stores, remain in port, sail with or without pilots, tow and be towed, and save or attempt to save life or property; and all of the foregoing are included in the contract voyage.

4. In any situation whatsoever and wheresoever occurring and whether existing or anticipated before commencement of or during the voyage, which in the judgment of the Carrier or the Master is likely to give rise to risk of capture, seizure, detention, damage, delay or disadvantage to or loss of the ship or any part of her cargo, to make it unsafe, imprudent, or unlawful for any reason to commence or proceed on or continue the voyage or to enter or discharge the goods at the port of discharge, or to give rise to delay or difficulty in arriving, discharging at or leaving the port of discharge or the usual or agreed place of discharge in such port, the Carrier may before loading or before the commencement of the voyage, require the shipper or other person entitled thereto to take delivery of the goods at port of shipment and upon failure to do so, may warehouse the goods at the risk and expense of the goods; or the Carrier or the Master, whether or not proceeding toward or entering or attempting to enter the port of discharge or reaching or attempting to reach the usual place of discharge therein or attempting to discharge the goods there, may discharge the goods into depot, lazaretto, craft, or other place; or the ship may proceed or return, directly or indirectly, to stop at any port or place whatsoever as the Master or the Carrier may consider safe or advisable under the circumstances, and discharge the goods, or any part thereof, at any such port or place; or the Carrier or the Master may retain the cargo on board until the return trip or until such time as the Carrier or the Master thinks advisable and discharge the goods at any place whatsoever as herein provided; or the Carrier or the Master may discharge and forward the goods by any means, rail, water, land, or air at the risk and expense of the goods. The Carrier or the Master is not required to give notice of discharge of the goods or the forwarding thereof as herein provided. When the goods are discharged from the ship, as herein provided, they shall be at their own risk and expense; such discharge shall constitute complete delivery and performance under this contract and the Carrier shall be freed from any further responsibility. For any services rendered to the goods as hereinabove provided, the Carrier shall be entitled to a reasonable extra compensation.

5. The Carrier, Master and ship shall have liberty to comply with any orders or directions as to loading, departure, arrival, routes, ports of call, stoppages, discharge, destination, delivery or otherwise howsoever given by the government of any nation or department thereof or any person acting or purporting to act with the authority of such government or of any department thereof, or by any committee or person having, under the terms of the war risk insurance on the ship, the right to give such orders or directions. Delivery or other disposition of the goods in accordance with such orders or directions shall be a fulfillment of the contract voyage. The ship may carry contraband, explosives, munitions, warlike stores, hazardous cargo, and may sail armed or unarmed and with or without convoy.

In addition to all other liberties herein the Carrier shall have the right to withhold delivery of, reship to, deposit or discharge the goods at any place whatsoever, surrender or dispose of the goods in accordance with any direction, condition or agreement imposed upon or exacted from the carrier by any government or department thereof or any person purporting to act with the authority of either of them. In any of the above circumstances the goods shall be solely at their risk and expense and all expenses and charges so incurred shall be payable by the owner or consignee thereof and shall be a lien on the goods.

6. Unless otherwise stated herein, the description of the goods and the particulars of the packages mentioned herein are those furnished in writing by the shipper and the Carrier shall not be concluded as to the correctness of marks, number, quantity, weight, gauge, measurement, contents, nature, quality or value. Single pieces or packages exceeding 4480 lbs. in weight shall be liable to pay extra charges in accordance with tariff rates in effect at time of shipment for loading, handling, transshipping or discharging and the weight of each such piece or package shall be declared in writing by the shipper on shipment and clearly and durably marked on the outside of the piece or package. The shipper and the goods shall also be liable for, and shall indemnify the Carrier in respect of any injury, loss or damage arising from shipper's failure to declare and mark the weight of any such piece or package or from inadequate or improper description of the goods or from the incorrect weight of any such piece or package having been declared or marked thereon, or from failure fully to disclose the nature and character of the goods.

7. Goods may be stowed in poop, forecastle, deck house, shelter deck, passenger space or any other covered in space commonly used in the trade and suitable for the carriage of goods, and when so stowed shall be deemed for all purposes to be stowed under deck. In respect of goods carried on deck all risks of loss or damage by perils inherent in such carriage shall be borne by the shipper or the consignee but in all other respects the custody and carriage of such goods shall be governed by the terms of this bill of lading and the provisions stated in said Carriage of Goods by Sea Act notwithstanding Sec. 1(c) thereof, or the corresponding provision of any Carriage of Goods by Sea Act that may be applicable. Specially heated or specially cooled stowage is not to be furnished unless contracted for at an increased freight rate. Goods or articles carried in any such compartment are at the sole risk of the owner thereof and subject to all the conditions, exceptions and limitations as to the Carrier's liability and other provisions of this bill of lading; and further the Carrier shall not be liable for any loss or damage occasioned by the temperature, risks of refrigeration, defects or insufficiency in or accidents to or explosion, breakage, derangement or failure of any refrigerator plant or part thereof, or by or in any material or the supply or use thereof used in the process of refrigeration unless shown to have been caused by negligence of the Carrier from liability for which the Carrier is not by law entitled to exemption.

8. Live animals, birds, reptiles and fish are received and carried at shipper's risk of accident or mortality, and the Carrier shall not be liable for any loss or damage thereto arising or resulting from any matters mentioned in Section 4. Sub-section 2, a to p inclusive of said Carriage of Goods by Sea Act or similar sections of any Carriage of Goods by Sea Act that may be applicable, or from any other cause whatsoever not due to the fault of the Carrier, any warranty of seaworthiness in the premises being hereby waived by the shipper. Except as provided above such shipments shall be deemed goods, and shall be subject to all terms and provisions in this bill of lading relating to goods.

9. If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the Master, mariner, pilot or the servants of the Carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set-off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or Carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact.

10. General average shall be adjusted, stated and settled, according to Rules 1 to 15, inclusive, 17 to 22, inclusive, and Rule F of York-Antwerp Rules 1924, at such port or place in the United States as may be selected by the carrier, and as to matters not provided for by these Rules, according to the laws and usages at the port of New York. In such adjustment disbursements in foreign currencies shall be exchanged into United States money at the rate prevailing on the dates made and allowances for damage to cargo claimed in foreign currency shall be converted at the rate prevailing on the last day of discharge at the port or place of final discharge of such damaged cargo from the ship. Average agreement or bond and such additional security, as may be required by the Carrier, must be furnished before delivery of the goods. Such cash deposit as the Carrier or his agents may deem sufficient as additional security for the contribution of the goods and for any salvage and special charges thereon, shall, if required, be made by the goods, shippers, consignees or owners of the goods to the Carrier before delivery. Such deposit shall, at the option of the Carrier, be payable in United States money and be remitted to the adjuster. When so remitted the deposit shall be held in a special account at the place of adjustment in the name of the adjuster pending settlement of the General Average and refunds or credit balances, if any, shall be paid in United States money.

In the event of accident, danger, damage, or disaster, before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract, or otherwise, the goods, the shipper and the consignee, jointly and severally, shall contribute with the Carrier in general average to the payment of any sacrifices, losses, or expenses of a general

SPECIAL CLAUSES FOR PARTICULAR TRADES

I. At PERNAMBUCO, the goods are to be dispatched at custom house within 24 hours of vessel's arrival, or they will be deposited by vessel's agents at consignee's risk and expense.

II. At SANTOS, the customs permits for the landing of these goods at wharf shall be taken out within twenty-four (24) hours after ship's arrival, or the goods may be deposited in hulk or elsewhere at consignee's risk and expense.

III. At BUENOS AIRES, should the authorities order the goods or any portion thereof to be discharged or deposited at the warehouse of the Empresa de las Catalinas the consignees are bound to accept and pay the official or special tariff applicable for the goods.

IV. At ROSARIO, the Gas Mole charges shall be for account of the goods.

V. If in any situation indicated in Article 4 or 5 of this bill of lading, the goods are discharged at any port or place north of SUEZ, an additional freight of per ton, weight or measurement, ship's option, shall be paid by the shipper and/or consignee, and the same shall be a lien on the goods.

VI. Owing to congestion at customs and bonded stores, Suez cargo may be landed in open spaces at entire risk of owner of goods.

VII. At MONTEVIDEO, should it be found impossible for the ship to discharge owing to there being no berth, shed, deposit or wagons available, or for lack of space on wharf at berth assigned by port authorities, or for any other cause of "force majeure" or should anything else prevent the ship from discharging on arrival, which will be verified by a declaration of the Administracion Nacional del Puerto (Port Administration), the cargo will be discharged into lighters sent by the agents for the account and risk of the consignees.

VIII. Flour and lard shipped to RIO DE JANEIRO shall be landed at a Trapique, designated by the Carrier's agent at that port, the custom of said port to the contrary notwithstanding.

IX. Handling charges at PACIFIC COAST PORTS: Any provisions herein to the contrary notwithstanding, goods may be received and/or delivered by Carrier at ship's tackle and receipt and delivery beyond ship's tackle shall be entirely at the option of the Carrier and solely at the expense of the shipper or consignee.

X. If by reason of ice or other unforeseen accident or occurrence to or in the MANCHESTER SHIP CANAL or its approaches the ship is prevented from proceeding to Manchester in the ordinary course and without delay, the goods shipped hereunder may at Carrier's option be delivered at the port of Liverpool against payment of the then current ocean rate of freight from the port of shipment to that port in addition to any inland freight and charges, or they may be forwarded by the Carrier for delivery at destination at the expense and risk of the owner thereof and against payment of the freight herein provided for.

XI. LONDON CLAUSE (A) The Carrier shall, at its option, be entitled to land the goods within mentioned on the quay, or to discharge them into craft hired by it immediately on arrival at dock, quay, river wharf or other wharf or landing place selected by the Carrier, and at consignee's risk and expense; the Carrier being entitled to collect the same charges on goods entered for landing at the docks, as on goods entered for delivery to lighters. Consignees desirous of conveying their goods elsewhere, shall, on making application to the ship's agent, or to the dock or wharf company, within 72 hours after ship shall have been reported, except as provided hereafter, be entitled to delivery in consignee's lighters or land conveyances at the following rates, to be paid with the freight to the ship's agent, against release, or to the dock or wharf company, if so directed by the ship's agent, viz.: Following wooden goods in packages; clothes-pegs, handles, blind rollers, hubs, spokes, wheels and oars, 1/3 per ton measurement; hops, 2/9 per ton weight; lumber and logs, 2/— per ton measurement or 2/6 per ton weight at ship's option; slates, 2/— per ton weight; wheaten flour, 1/3 per ton weight. All other general cargo 1/9 per ton weight or measurement at ship's option; minimum charge, one ton.

(B) Grain for overside delivery is to be applied for within twenty-four hours of ship's arrival (or thereafter immediately it becomes clear) at any dock, quay, river wharf or other wharf or landing place selected by the ship

average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods. If a salving ship is owned or operated by the Carrier, salvage shall be paid for as fully and in the same manner as if such salving ship or ships belonged to strangers.

11. Whenever the Carrier or the Master may deem it advisable or in any case where the goods are consigned to a point where the ship does not expect to discharge, the Carrier or master may, without notice, forward the whole or any part of the goods before or after loading at the original port of shipment, or any other place or places even though outside the scope of the voyage or the route to or beyond the port of discharge or the destination of the goods, by any vessel, vessels or other means of transportation by water or by land or by air or by any such means, whether operated by the Carrier or by others and whether departing or arriving or scheduled to depart or arrive before or after the ship expected to be used for the transportation of the goods. This Carrier, in making arrangements for any transshipping or forwarding vessel or means of transportation not operated by this Carrier shall be considered solely the forwarding agent of the shipper and without any other responsibility whatsoever.

The carriage by any transshipping or forwarding carrier and all transshipping or forwarding shall be subject to all the terms whatsoever in the regular form of bill of lading, freight note, contract or other shipping document used at the time by such carrier, whether issued for the goods or not, and even though such terms may be less favorable to the shipper or consignee than the terms of this bill of lading and may contain more stringent requirements as to notice of claim or commencement of suit and may exempt the on-carrier from liability for negligence. The shipper expressly authorizes the Carrier to arrange with any such transshipping or forwarding carrier that the lowest valuation of the goods or limitation of liability contained in the bill of lading or shipping document of such carrier shall apply even though lower than the valuation or limitation herein, provided that the shipper shall not be compelled to pay a rate higher than that applicable to the valuation contained in such bill of lading. Pending or during transshipment the goods may be stored ashore or afloat at their risk and expense and the Carrier shall not be liable for detention.

12. The port authorities are hereby authorized to grant a general order for discharging immediately upon arrival of the ship and the Carrier without giving notice either of arrival or discharge, may discharge the goods directly they come to hand, at or onto any wharf, craft or place that the Carrier may select, and continuously Sundays and holidays included, at all such hours by day or by night as the Carrier may determine no matter what the state of the weather or custom of the port may be. The Carrier shall not be liable in any respect whatsoever if heat or refrigeration or special cooling facilities shall not be furnished during loading or discharge or any part of the time that the goods are upon the wharf, craft, or other loading or discharging place. All lighterage and use of craft in discharging shall be at the risk and expense of the goods. Landing and delivery charges and pier dues shall be at the expense of the goods unless included in the freight herein provided for. If the goods are not taken away by the consignee by the expiration of the next working day after the goods are at his disposal, the goods may at Carrier's option and subject to Carrier's lien, be sent to store or warehouse or be permitted to lie where landed, but always at the expense and risk of the goods. The responsibility of the Carrier in any capacity shall altogether cease and the goods shall be considered to be delivered and at their own risk and expense in every respect when taken into the custody of customs or other authorities. The Carrier shall not be required to give any notification of disposition of the goods.

13. The Carrier shall not be liable for failure to deliver in accordance with marks unless such marks shall have been clearly and durably stamped or marked by the shipper before shipment upon the goods or packages, in letters and numbers not less than two inches high, together with name of the port of discharge. Goods that cannot be identified as to marks or numbers, cargo sweepings, liquid residue and any unclaimed goods not otherwise accounted for shall be allocated for completing delivery to the various consignees of goods of like character, in proportion to any apparent shortage, loss of weight or damage. Loss or damage to goods in bulk stowed without separation from other goods in bulk of like quality, shipped by either the same or another shipper, shall be divided in proportion among the several shipments.

14. The goods shall be liable for all expense of mending, coopeage, baling or reconditioning of the goods or packages and gathering of loose contents of packages; also for any payment, expense, fine, dues, duty, tax, impost, loss, damage or detention sustained or incurred by or levied upon the Carrier or the ship in connection with the goods, howsoever caused, including any action or requirement of any government or governmental authority or person purporting to act under the authority thereof, seizure under legal process or attempted seizure, incorrect or insufficient marking, numbering or addressing of packages or description of the contents, failure of the shipper to procure consular, Board of Health or other certificates to accompany the goods or to comply with laws or regulations of any kind imposed with respect to the goods by the authorities at any port or place or any act or omission of the shipper or consignee.

15. Freight shall be payable on actual gross intake weight or measurement or, at Carrier's option, on actual gross discharged weight or measurement. Freight may be calculated on the basis of the particulars of the goods furnished by the shipper herein but the Carrier may at any time open the packages and examine, weigh, measure and value the goods. In case shipper's particulars are found to be erroneous and additional freight is payable, the goods shall be liable for any expense incurred for examining, weighing, measuring and valuing the goods. Full freight shall be paid on damaged or unsound goods. Full freight hereunder to port of discharge named herein shall be considered completely earned on shipment whether the freight be stated or intended to be prepaid or to be collected at destination; and the Carrier shall be entitled to all freight and charges due hereunder, whether actually paid or not, and to receive and retain them irrevocably under all circumstances whatsoever ship and/or cargo lost or not lost or the voyage broken up or abandoned. If there shall be a forced interruption or abandonment of the voyage at the port of shipment or elsewhere any forwarding of the goods or any part thereof shall be at the risk and expense of the goods. All unpaid charges shall be paid in full and without any offset, counterclaim or deduction in the currency of the port of shipment, or, at Carrier's option, in the currency of the port of discharge at the demand rate of New York exchange as quoted on the day of the ship's entry at the Custom House of her port of discharge. The Carrier shall have a lien on the goods, which shall survive delivery, for all charges due hereunder and may enforce this lien by public or private sale and without notice. The shipper and the consignee shall be jointly and severally liable to the Carrier for the payment of all charges and for the performance of the obligation of each of them hereunder.

16. Neither the Carrier nor any corporation owned by, subsidiary to or associated or affiliated with the Carrier shall be liable to answer for or make good any loss or damage to the goods occurring at any time and even though before loading on or after discharge from the ship, by reason or by means of any fire whatsoever, unless such fire shall be caused by its design or neglect.

17. In case of any loss or damage to or in connection with goods exceeding in actual value \$500 lawful money of the United States, per package, or, in case of goods not shipped in packages, per customary freight unit, the value of the goods shall be deemed to be \$500 per package or per unit, on which basis the freight is adjusted and the Carrier's liability, if any, shall be determined on the basis of a value of \$500 per package or per customary freight unit, or pro rata in case of partial loss or damage, unless the nature of the goods and a valuation higher than \$500 shall have been declared in writing by the shipper upon delivery to the Carrier and inserted in this bill of lading and extra freight paid if required and in such case if the actual value of the goods per package or per customary freight unit shall exceed such declared value, the value shall nevertheless be deemed to be the declared value and the Carrier's liability, if any, shall not exceed the declared value and any partial loss or damage shall be adjusted pro rata on the basis of such declared value.

Whenever the value of the goods is less than \$500 per package or other freight unit, their value in the calculation and adjustment of claims for which the Carrier may be liable shall for the purpose of avoiding uncertainties and difficulties in fixing value be deemed to be the invoice value, plus freight and insurance if paid, irrespective of whether any other value is greater or less.

18. Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the Carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage, such removal shall be prima facie evidence of the delivery by the Carrier of the goods as described in the bill of lading. If the loss or damage is not apparent the notice must be given within three days of the delivery. The Carrier shall not be liable upon any claim for loss or damage unless written particulars of such claim shall be received by the Carrier within thirty days after receipt of the notice herein provided for.

19. In any event the Carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after the delivery of the goods or the date when the goods should have been delivered. Suit shall not be deemed brought until jurisdiction shall have been obtained over the Carrier and/or the ship by service of process or by an agreement to appear.

20. To avoid or alleviate preventions or delays in prosecution or completion of the voyage incident to the existence of hostilities, the Carrier has liberty and is authorized by the shipper and the owner of the goods to agree with the representatives of any government to submit the goods to examination at any place or places whatsoever and to delay delivery of the same until any restriction asserted by any governmental authority shall have been removed. The Carrier may put the goods in store ashore or afloat at the risk and expense of the owner of the same pending examination; and thereupon the Carrier's responsibility shall end. Any damage or deterioration occasioned by such examination or by delay and other risks of whatsoever nature shall be solely for account of the owner of the goods. All expenses incurred by the Carrier in relation to such detention of the goods shall be paid by the shipper or consignee or owner of the goods.

21. This Bill of Lading shall be construed and the rights of the parties thereunder determined according to the law of the United States.

22. Cargo skids and labor on quay are to be provided by ship's agent for account of consignee at current rates, and any cargo which may be ordered for delivery into fiscal deposits, must be taken by an official cartman appointed by the agent of the ship, at current rates for account and risk of consignee.

23. If any bagged or baled goods are landed slack or torn, receiver and/or consignee shall accept its proportion of the sweepings. Ship not responsible for loss of weight in bags or bales torn, mended or with sample holes.

24. Cotton: Description of the condition of the cotton does not relate to the insufficiency of or torn condition of the covering, nor to any damage resulting therefrom and Carrier shall not be responsible for damage of such nature.

25. Specie: Specie will not be shipped or landed by the Carrier; it must be put on board by the shipper, and will only be delivered on board on presentation of the bills of lading properly endorsed; it may be carried on at consignee's risk if delivery is not taken during the ship's stay in port, and in every case the liability of the Carrier shall cease when the specie leaves the ship's deck.

26. SPECIFIED DOCK DISCHARGE: If the carrier makes a special agreement, whether by stamp hereon or otherwise, to deliver the goods hereby receipted for at a specified dock or wharf at the port of discharge, it is mutually agreed that such agreement shall be construed to mean that the Carrier is to make such delivery only if, in the sole judgment of the Master, the ship can safely under her own power, proceed to, lie at, and return from said dock or wharf, always afloat at any time of tide, and only if such dock or wharf is available to the ship immediately the ship is ready to discharge the goods and, that otherwise, the ship shall discharge the goods in accordance with Clause 12 of this bill of lading, whereupon Carrier's responsibility shall cease.

28. All agreements or freight engagements for the shipment of the goods are superseded by this bill of lading, and all its terms, whether written, typed, stamped, or printed, are accepted and agreed by the shipper to be binding as fully as if signed by the shipper, any local customs or privileges to the contrary notwithstanding. Nothing in this bill of lading shall operate to limit or deprive the Carrier of any statutory protection or exemption from or limitation of liability. If required by the Carrier, one signed bill of lading duly endorsed must be surrendered to the agent of the ship at the port of discharge in exchange for delivery order.

owners or agents. In the absence of sufficient consignee's craft, with responsible persons in charge, to receive as fast as ship can discharge overside into lighters during usual working hours, the Master or agent may land or discharge into lighters at the risk and expense of the consignee. The Carrier or agent may land or discharge continuously day and/or night, any grain landed or discharged for ship's convenience during usual working hours (consignee's craft being duly in attendance) and any grain that may be landed or discharged before or after usual working hours (whether craft are then in attendance or not) is to be given up free to consignee's craft applying for same within seventy-two hours from its landing or discharge; otherwise it will be subject to the usual dock, quay, river wharf or other wharf or landing place charges. An extra freight of 7d. per ton shall be paid to the Carrier or agent on each consignment of grain whether any portion be landed or not. The grain is to be weighed at time of discharge, either on deck and/or dock, quay, river wharf or other wharf or landing place and/or craft at ship's option. Working out charges (including weighing) as fixed by the Port of London Authority for grain in bulk and/or ship's bags are to be paid by the consignee with the freight to the ship's agent or to the authorized representative of the dock, quay, river wharf or other wharf or landing place if so directed by the ship's agent in exchange for release. Neither party shall be liable for any interference with the performance of the contract herein contained, which is caused by strikes, or lockout of seamen, lightermen, stevedores or shore laborers, or railway or transport or other disturbances of any kind or in furtherance thereof, whether partial or otherwise, nor for any consequences thereof, and in such case the Carrier or agent shall be entitled to land or put into craft at the risk and expense of consignee. In case the grain shipped under this bill of lading forms part of a larger bulk, each bill of lading is to bear its proportion of shortage and damage, if any.

(C) ACETONE, ASPHALT, CARBON BLACK, CELLULOID, COTTON, COTTON WASTE, HAY, HEMP, HYDROLENE, ISTLE, JUTE, LAMPBLACK, ILLUMINATING and OIL OF ALL KINDS, whether ANIMAL, VEGETABLE, or MINERAL, and the liquid products of them or any of them, PITCH, RAGS, ROSIN, STRAW, TAR, TURPENTINE, VARNISH, WOOD SPIRITS, also any other goods of a more or less hazardous nature. Consignees to have craft in attendance immediately on ship's arrival at any discharging berth selected by the Carrier, to take delivery from ship or otherwise (at ship's option), of any of the above-mentioned commodities, the Carrier having the option of working continuously by day and/or night, and consignees to pay 1/3d. per ton weight or measurement at ship's option. If consignee's craft is not in attendance, the goods may be put into Captain's entry craft at risk and expense of consignees.

(D) Refrigerator Cargo: Goods may be discharged immediately on arrival at dock, quay, river wharf or other wharf or landing place selected by the Carrier, who shall have the option of working continuously day and/or night and are to be removed by consignees within 24 hours after ship shall have been reported at the Custom House. Consignee is to pay 1/9d. per ton weight or measurement at ship's option, otherwise the Carrier has the right of removing or of calling upon the dock, quay or wharf authorities to receive or remove all or any part thereof for storage or realization at consignee's risk and expense.

(E) In the case of heavy timber of rafting size delivered into the water in one of the docks in the river Thames, each consignee of such timber shall pay two-thirds of the ship's dock dues payable in respect of the space occupied by his portion of such cargo so delivered into the water.

Craft which are in attendance for delivery under above clauses and stipulations shall wait free of demurrage their regular turn to receive goods or grain as required by Carrier, either from ship or quay or Captain's entry craft.

All Port of London Authority charges are to be paid by consignee of the goods, and the Carrier shall have the same lien, rights, and remedies on goods or grain referred to in the above clauses or under any other clauses of the bill of lading, as they have by law in respect to freight.

This London Clause is, in respect of goods destined to that port, to form part of this bill of lading, and any words at variance with them are hereby cancelled.

XII. On all shipments forwarded to LOURENCO MARQUES, MOMBASA, and ports for transshipment, the landing, lighterage, and delivery charges, and pier dues at destination are to be paid by consignee.

LINNTON (PORTLAND) OREGON

[illegible]

Figure 6

COPY OF INVOICE

The Clark and Wilson Lumber Company

10504 N. W. ST. HELENS RD.

Portland 9, Oregon,

Sold to

Address

Ship to

Our Order No.

Your Order No.

Ship Via

Terms:

Invoice

Car Initials

Car No.

Date Shipped

UNSUBMITTED
07/15/10

Figure 7

MARKS:

TO THE FIREMAN'S FUND INSURANCE COMPANY

DECLARATION BY _____

ON _____

NUMBER OF PACKAGES _____

| TO BE INSURED AT | INVOICE COST | Dollars | Cents | OR | INVOICE COST | Dollars | Cents | NO. REG. |
|------------------|-----------------------|---------|-------|----|-----------------------|---------|-------|--------------|
| | PLUS 10% | | | | PLUS FREIGHT | | | CUR. NO. BK. |
| | PLUS FREIGHT | | | | PLUS 10% | | | PREMS. |
| | TOTAL | | | | TOTAL | | | LINES |
| | DUTY IF TO BE INSURED | | | | DUTY IF TO BE INSURED | | | BILLG. |
| | | | | | | | | CLASS |

SHIPPED ON BOARD _____ POLICY NO. _____

BILL OF LADING DATED _____ CERT. NO. 80086

FROM _____ 650

TO _____

| \$ | RATE | % PREMIUM | \$ | | | | |
|----|------|-----------|----|--|--|--|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

DATE _____ 19 _____



TO THE FIREMAN'S FUND INSURANCE COMPANY

DECLARATION BY _____

ON _____

NUMBER OF PACKAGES _____

| TO BE INSURED AT | INVOICE COST | Dollars | Cents | OR | INVOICE COST | Dollars | Cents | NO. REG. |
|------------------|-----------------------|---------|-------|----|-----------------------|---------|-------|--------------|
| | PLUS 10% | | | | PLUS FREIGHT | | | CUR. NO. BK. |
| | PLUS FREIGHT | | | | PLUS 10% | | | PREMS. |
| | TOTAL | | | | TOTAL | | | LINES |
| | DUTY IF TO BE INSURED | | | | DUTY IF TO BE INSURED | | | BILLG. |
| | | | | | | | | CLASS |

SHIPPED ON BOARD _____ POLICY NO. **80086**BILL OF LADING DATED _____ CERT. NO. **651**

FROM _____

TO _____

| \$ | RATE | % PREMIUM | \$ | | | | |
|----|------|-----------|----|--|--|--|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

DATE _____ 19__

NEW BOOK REQUIRED



FIGURE 8

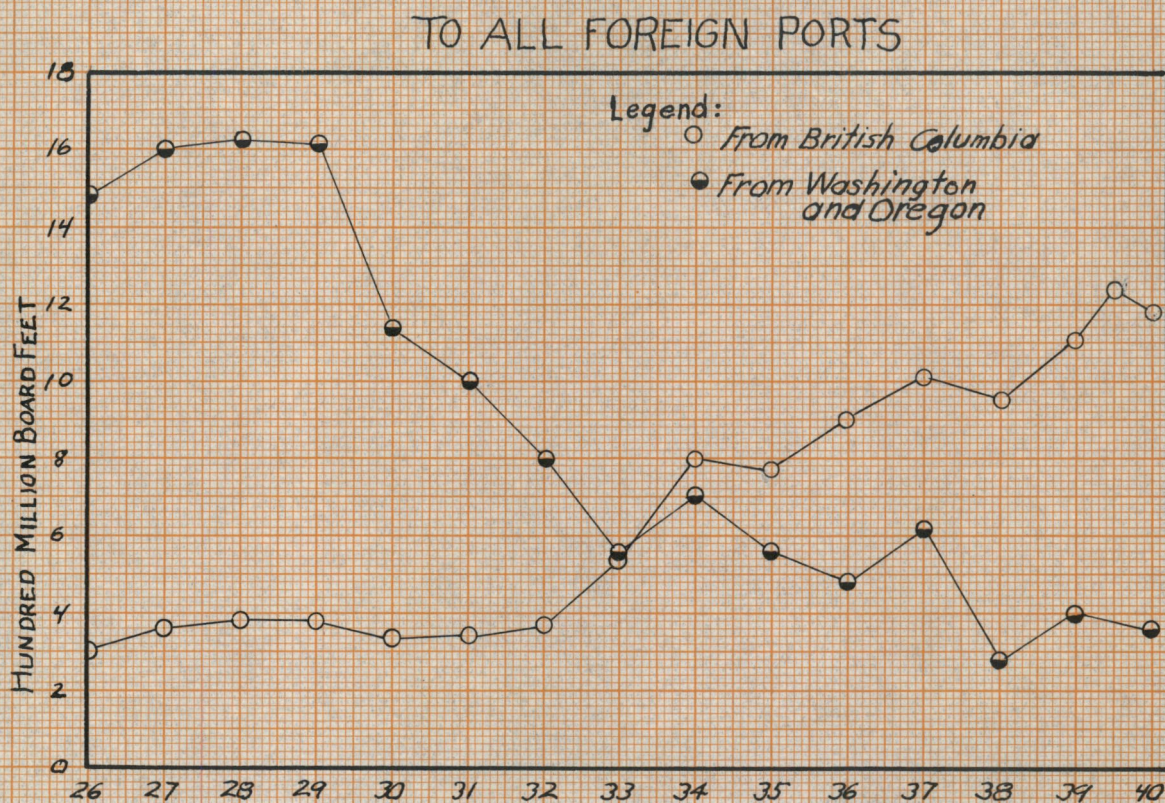
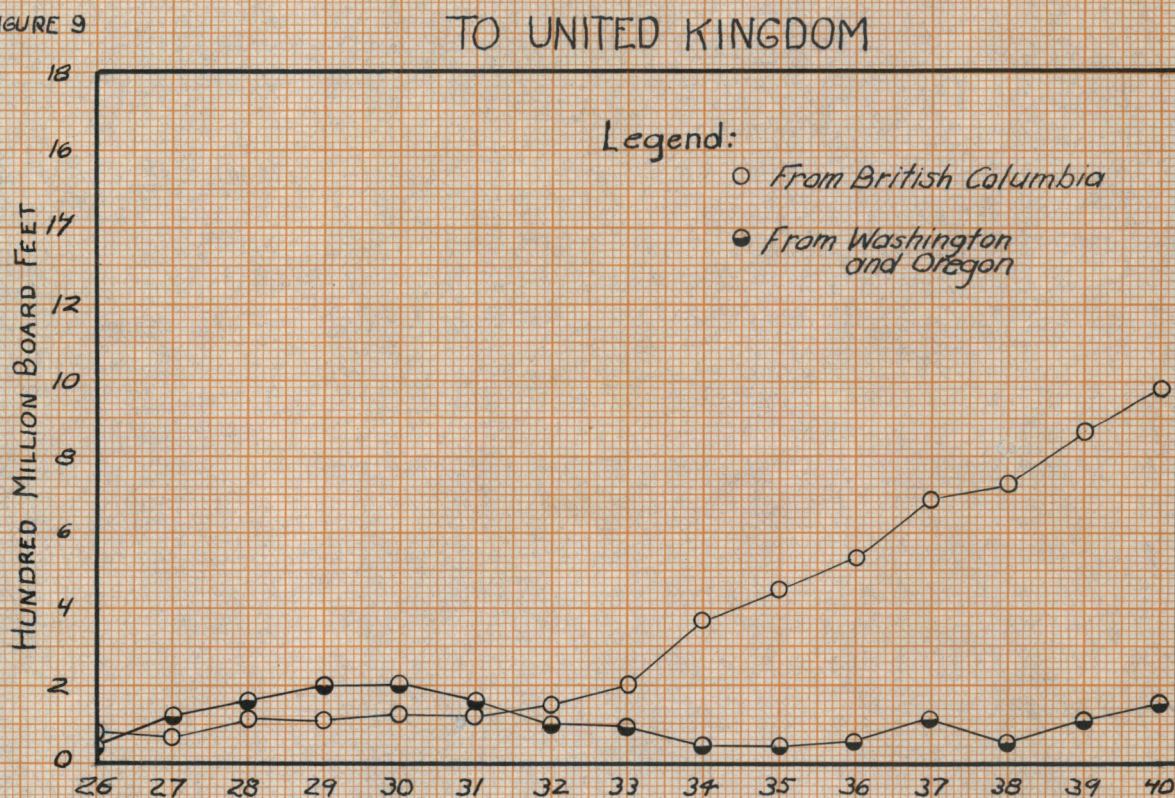


FIGURE 9



Water Shipments of Lumber from Washington, Oregon,
 And British Columbia

Taken from Lumber Industry Facts - 1941 - p.36

INDEX

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