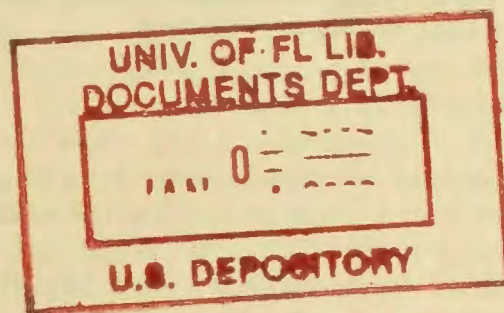
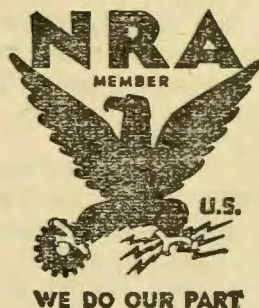



NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION
FOR THE
LUMBER AND TIMBER
PRODUCTS INDUSTRIES

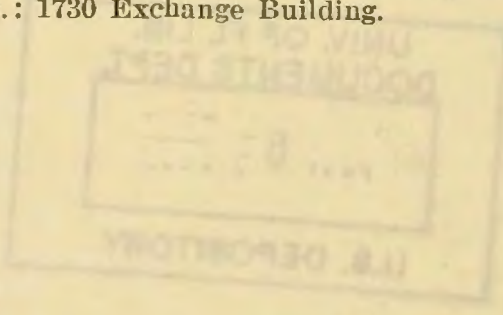
AS APPROVED ON MARCH 15, 1935



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AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

LUMBER AND TIMBER PRODUCTS INDUSTRIES

As Approved on March 15, 1935

ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE
LUMBER AND TIMBER PRODUCTS INDUSTRIES

An application having been duly made pursuant to and in full compliance with the provisions of Title I, of the National Industrial Recovery Act, approved June 16, 1933, for approval of an Amendment to a Code of Fair Competition for the Lumber and Timber Products Industries, and the annexed report of said amendment, containing findings with respect thereto, having been made by the Assistant Deputy Administrator and directed to the National Industrial Recovery Board, and it appearing that an opportunity to be heard will be afforded to all interested parties:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Order Number 6859, and otherwise, does hereby approve, adopt, and incorporate by reference said report, recommendations, and findings, and does further find that said amendment and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said amendment annexed hereto be, and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended, such approval and such amendment to become effective twenty (20) days from the date hereof unless good cause to the contrary is shown to the National Industrial Recovery Board, and the National Industrial Recovery Board issues a subsequent Order.

NATIONAL INDUSTRIAL RECOVERY BOARD,
By W. A. HARRIMAN, *Administrative Officer.*

Approval recommended:

W. P. ELLIS,
Division Administrator.

WASHINGTON, D. C.,
March 15, 1935

REPORT TO THE NATIONAL INDUSTRIAL RECOVERY BOARD

NATIONAL INDUSTRIAL RECOVERY BOARD,
Washington, D. C.

GENTLEMEN: I have the honor to submit and recommend for your approval an amendment to the Code of Fair Competition for the Lumber and Timber Products Industries, which changes Schedule "A" of said Code by terminating the Appalachian and Southern Hardwood Subdivision of the Hardwood Division and creating the Appalachian Hardwood Subdivision of the Hardwood Division and the Southern Hardwood Subdivision of the Hardwood Division.

The amendment designates the Appalachian Hardwood Manufacturers, Incorporated, as the administrative agency of the "Appalachian Hardwood Subdivision", vesting it with the powers authorized in the Code as necessary and proper for administrative purposes in a Subdivision. An examination of its Constitution and By-Laws shows that it imposes no inequitable restrictions upon membership and is truly representative of the proposed Subdivision.

By this amendment the Hardwood Manufacturers Institute, Incorporated, which was previously the administrative agency of the undivided "Subdivision" is continued, by designation, as the administrative agency for the majority of this area which will be included in the "Southern Hardwood Subdivision." It has previously been found to impose no inequitable restrictions on membership and to be truly representative of the proposed Subdivision. It is hereby vested with the powers authorized in the Code as necessary and proper for administrative purposes in a Subdivision.

This amendment has been submitted by the Lumber Code Authority in accordance with a resolution of December 5, 1934, in pursuance of a petition of the Hardwood Manufacturers of the region included under the proposed "Appalachian Hardwood Subdivision." A meeting of these manufacturers was held at Netherlands Plaza Hotel, Cincinnati, Ohio, November 2, 1934, at which were present manufacturers representing an annual capacity of 1,000,150,000 board feet of hardwood lumber out of a total rated capacity of 1,810,290,000 board feet or 55.32% of the total. There were one hundred and nineteen (119) manufacturers present with productive capacity ranging from 312,000 to 76,000,000 board feet per annum. The average productive capacity of the manufacturers present was approximately 8,300,000 board feet per annum. Of the manufacturers present thirty-one (31) have a yearly productive capacity of less than 2,000,000 board feet each. This petition received the approval of the Hardwood Manufacturers Institute, Incorporated, the Hardwood Co-ordinating Committee, and the Lumber Code Authority.

A notice of opportunity to be heard on this amendment will be made known to all interested parties through the mailing of a copy of said notice to everyone of record in the offices of the Ap-

palachian Hardwood Manufacturers, Incorporated, and the Hardwood Manufacturers Institute, the proposed Division Agencies respectively in each of the two contemplated Subdivisions, and to appropriate trade papers serving the affected areas.

The following exhibits are included in Volume II:

1. Industrial Advisory Board's Approval.
2. Consumers' Advisory Board's Approval.
3. Report of Labor Advisory Board.
4. Legal Division's Approval.
5. Research and Planning Division's Approval.
6. Administration Members' Approval.
7. Letter of Transmittal from the Lumber Code Authority.
8. Notice of Opportunity to be heard.
9. Copy of Petition of Appalachian Manufacturers submitted to Lumber Code Authority, Letter of Transmission of said Petition from that Authority, and Affidavits of competent parties supporting salient points made in said Petition.
10. Action of Hardwood Manufacturers Institute Board of Directors.
11. Code and Amendments already approved.

For the proper consideration of this amendment and determination with respect thereto, the following facts and findings are set forth:

The hardwood lumber manufacturing industry of the South has ever been divided into two distinct groups, i. e., the Appalachian and the Southern manufacturers, as is evidenced by the Forest Service's boundary delineation of the Appalachian territory and as set out in the petition and its supporting affidavits. This division is because of the following fundamental reasons:

(a) Operating Conditions: The Southern territory is largely flat while the Appalachian is in the main hilly and mountainous. This calls for usage in the Appalachian territory of a different and higher class of labor, and different and more expensive types of logging equipment than are necessary in the Southern operations. The hilly topography and the heavier investment of capital necessary in much of the Appalachian region tend to minimize the number of very small mills operating in that district.

(b) Timber Ownership: Appalachian timber is largely owned by the mills that log and manufacture it, as contrasted with independent log and standing timber marketing practices of the South.

(c) Timber Species: The Appalachian territory contains some species not found in the South. In some other species the predominance is greater in the Appalachian and in some others in the South.

(d) Quality: The quality of the Appalachian timber is generally better than that of the South.

(e) Value: By reason of this superior quality, and, to some extent, its closer proximity to major consuming markets, the Appalachian product commands a higher price.

(f) The minimum wage rates in the Appalachian and the Southern territories are 28½ cents and 24 cents per hour respectively.

When it was written it was thought possible to administer the Code for these two distinctive groups through a joint Subdivision, upon the administrative body of which each should have representation.

Eighteen months' experience has demonstrated the fallacy of this assumption. While the Appalachian mills produced about 25% of the hardwood lumber of the entire South, their representation on the administrative directorate of the joint Subdivision has been six (6) out of a total of thirty-three (33) or slightly over 18%. The records bear out the contention of the Appalachian operators that under joint Subdivision administration of Article VIII of the Code, the Southern mills have received an over-liberal production allotment at the expense of the Appalachian mills. The Code sets up that an administrative agency shall be truly representative. This joint administrative agency is not, and because of the fundamentally different existing conditions above recited, can never be so made. The mandate of the Code, justice and wisdom dictate that this petition should be granted through the approval and promulgation of this amendment which I find:

1st, Will effectuate the policies of the Act in the granting of true representation.

2nd, Will impose no inequitable restrictions.

3rd, Will not promote monopolies or tend to monopolistic practices.

4th, Will not oppress small enterprises.

On the basis of all the facts stated above and the administrative findings of law and fact made above, I recommend that this amendment be approved.

Respectfully,

J. C. WICKLIFFE,
Assistant Deputy Administrator.

Approval recommended:

A. C. DIXON,
Deputy Administrator.

W. P. ELLIS,
Division Administrator.

MARCH 7, 1935.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE LUMBER AND TIMBER PRODUCTS INDUSTRIES

In Schedule A, DIVISION AND SUBDIVISION CODE PROVISIONS, delete "2-A. Appalachian and Southern Hardwood Subdivision" and substitute therefor:

2-A. Appalachian Hardwood Subdivision

2-H. Southern Hardwood Subdivision

In Schedule A, 2. Hardwood Division, Division (Article II, C) :, paragraph (a), delete "Southern and Appalachian Hardwood Subdivision" and substitute therefor:

Appalachian Hardwood Subdivision

Southern Hardwood Subdivision

In Schedule A, 2. Hardwood Division, Administrative Agencies (Article III) :, paragraph (A), delete "Southern and Appalachian Hardwood Subdivision—Hardwood Manufacturers Institute" and substitute therefor:

Appalachian Hardwood Subdivision—Appalachian Hardwood Manufacturers, Inc.

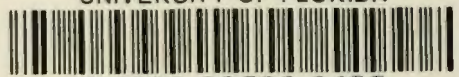
Southern Hardwood Subdivision—Hardwood Manufacturers Institute.

In Schedule A, delete entire section "2-A. Appalachian and Southern Hardwood Subdivision" and substitute therefor:

2-A. APPALACHIAN HARDWOOD SUBDIVISION

SUBDIVISION (Article II C) :

This Subdivision consists of producers and manufacturers of the lumber and timber products of this Subdivision specified in the paragraph entitled "Products" in the territory defined as follows: Starting at Louisville, Ky., following main line of the Louisville and Nashville Railroad to the Kentucky-Tennessee State line; thence east following said State line to the westerly line of Pickett County, Tenn.; thence southerly along the westerly boundaries of Pickett, Fentress, Morgan, Roane, Rhea and Hamilton Counties to the intersection of the westerly line of Hamilton County and the Nashville Chattanooga and St. Louis Railroad; thence easterly along said Railroad through Chattanooga to the intersection of said Railroad and the Tennessee-Georgia State line; thence westerly along said Tennessee-Georgia State line to the junction of the States of Tennessee, Georgia and Alabama; thence south on Alabama-Georgia State line to thirty fourth parallel; thence east on thirty-fourth parallel in Georgia to mainline Southern Railway, Atlanta to Washington route; and thence northeast following Southern Railway from this point through South Carolina, North Carolina and Virginia to the northern terminal at Washington, D. C., and thence northward along the line of the Pennsylvania Railway, Washington to Philadelphia route, to Pennsylvania State line; thence west along southern bound-



ary line and north along the western boundary line of Pennsylvania to Ohio River; thence along Ohio River to Louisville, Kentucky. All points on boundary lines between Appalachian and Southern Hardwood Subdivisions are in Southern territory.

PRODUCTS (Article II A) :

All lumber and timber products enumerated when manufactured from hardwoods, Appalachian hemlock, white pine, spruce, white (juniper) and red cedar, except: poles and piling; shingles; woodwork, including products of planing mills not operated in conjunction with sawmills; hardwood flooring; veneers; plywood; kiln dried hardwood dimension; sawed boxes, shook and crates; plywood, veneer, and wirebound packages and containers; crossarms; and railroad cross ties.

ADMINISTRATIVE AGENCY (Article III) :

Appalachian Hardwood Manufacturers, Inc., is designated as the agency of the Authority and the Hardwood Coordinating Committee for the administration of the Code in this Subdivision. Said Appalachian Hardwood Manufacturers, Inc., through its Board of Trustees is authorized to make such rules and regulations as are necessary to administer the Code in this Subdivision and to designate and authorize such further agencies as may be required for this purpose.

2-H. SOUTHERN HARDWOOD SUBDIVISION

SUBDIVISION (Article II C) :

This Subdivision consists of producers and manufacturers of the lumber and timber products of this Subdivision specified in the paragraph entitled "Products" within the following states: Texas, Louisiana, Mississippi, Alabama, Arkansas, Missouri, Oklahoma, Florida, Georgia, Tennessee, Kentucky, South Carolina, North Carolina, Virginia, and Maryland; excepting such portions of the above named states as lie within the Appalachian territory as described in 2A. All points on boundary lines between Appalachian and Southern Hardwood Subdivisions are in Southern territory.

PRODUCTS (Article II A) :

All lumber and timber products enumerated when manufactured from hardwoods, white and yellow cypress, and white (juniper) and red cedar, except: poles and piling; shingles; woodwork, including products of planing mills not operated in conjunction with sawmills; hardwood flooring; veneers; plywood; kiln dried hardwood dimension; sawed boxes, shook and crates; plywood, veneer and wirebound packages and containers; crossarms; and railroad cross ties.

ADMINISTRATIVE AGENCY (Article III) :

The Hardwood Manufacturers Institute is designated as the agency of the Authority and the Hardwood Coordinating Committee for the administration of the Code in this Subdivision. Said Institute, through its Board of Directors, is authorized to make such rules and regulations as are necessary to administer the Code in this Subdivision and to designate and authorize such further agencies as may be required for this purpose.

Approved Code No. 9—Amendment No. 32.
Registry No. 313—1-06.