

APPENDIX 1

(Referred to in paragraph (i) of the Introduction)

THE REFERENCE MADE BY THE BOARD OF TRADE

THE MONOPOLIES AND RESTRICTIVE PRACTICES ACTS, 1948 AND 1953, AS AMENDED BY THE RESTRICTIVE TRADE PRACTICES ACT, 1956.

REFERENCE TO THE MONOPOLIES COMMISSION

COMPLIANCE WITH THE RECOMMENDATION MADE BY THE MONOPOLIES AND RESTRICTIVE PRACTICES COMMISSION IN THEIR REPORT ON THE SUPPLY OF IMPORTED TIMBER

Whereas on 8th October, 1951, the Board of Trade in pursuance of the powers conferred upon them by the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948 (hereinafter referred to as "the Act of 1948"), referred to the Monopolies and Restrictive Practices Commission for investigation and report the supply of the following descriptions of timber, not being timber produced from trees grown in the United Kingdom, namely:—

- (1) hardwood timber, whether round or hewn and/or sawn and/or planed or dressed (but not further prepared), including floorings and matchings ;
- (2) softwood timber (excluding round timber), whether sawn and/or planed or dressed (but not further prepared), including boxboards, sleepers and crossing timbers ;
- (3) plywood including laminboard blockboard and battenboard :

And whereas the said Commission in their Report on such reference made to the Board of Trade on 23rd July, 1953(a), concluded, in relation to the Approved List System described in Chapter 14 of the Report, that the agreements and undertakings by traders on the lists to deal only with each other upon which the system rested, operated against the public interest, and included a recommendation that the following action should be taken by the parties concerned themselves, namely, that those agreements and undertakings should be abrogated and should not be replaced by any other arrangements or undertakings having similar effects :

And whereas by section 28 of the Restrictive Trade Practices Act, 1956, the Monopolies and Restrictive Practices Commission was reconstituted under the title of the Monopolies Commission :

Now, therefore, the Board of Trade, in pursuance of the powers conferred upon them by section 12 of the Act of 1948, hereby refer to the Monopolies Commission for investigation and report the question whether and to what extent the said parties have complied with the recommendation aforesaid.

DATED this 14th day of February, 1957.

G. H. ANDREW,
A Secretary of the Board of Trade.

(a) Report of the Monopolies and Restrictive Practices Commission on the Supply of Imported Timber.

APPENDIX 2

(Referred to in paragraph 62)

THE TIMBER TRADE FEDERATION OF THE UNITED KINGDOM Amendments of Rules, etc. of Sections and affiliated Associations*

National Hardwood Importers' Section (N.H.I.S.)

There have been no relevant amendments.

Hardwood Agents & Brokers Association Ltd. (H.A.B.A.)

There have been no relevant amendments, but see second footnote to paragraph 4 of the present report regarding Rule 8.

National Softwood Importers' Section (N.S.I.S.)

Rules 2 (Objects) and 4 (Membership) have been amended. The particular objects of the Section were formerly "to secure mutual support and co-operation of members in advancing and defending their joint and several interests", but are now "to protect, promote and develop the common interests of Importers of Softwood and to secure mutual support and co-operation of members in advancing their joint and several interests". The changes in the membership rule are, in substance, as follows:

(1) Membership was formerly open to those "whose business either in whole or a substantial part thereof consists in the importation and reselling" of softwood and "who normally carry stocks of such timber". Now their whole business or a considerable part thereof must consist of "(i) a substantial trade . . . in the importation, and (ii) the carrying, as a regular part of such business, of stocks of a general and varied specification of Softwood Timber for resale to Merchants or General Consumers of Softwood Timber in substantially the same form in which it is imported".

(2) It was formerly among the conditions of membership that the applicant must secure the recommendation of the Area Section or Association concerned and receive the approval of the executive committee. He must now receive the approval of the membership committee (see paragraphs 37 and 53 of the present report), who are required to "obtain the views" of the Area Section or Association.

(3) Probationary membership was formerly related to inclusion in the Probationary List of Approved Importers. It is now provided that new members shall be probationary members for the first three years; if at the end of that period they have failed or ceased to qualify for full membership, the question of their continuation as probationary members may be determined by the executive committee.

Timber Agents & Brokers Association (T.A.B.A.)

There have been no relevant amendments.

Plywood Section

The former Bye-Laws, which were entirely concerned with the operation of the approved list system, have been cancelled. Amendments have also been made to Rules 3 (Membership) and 5 (Joint Committee); the effect of these is to make the conditions of eligibility for membership for an importer similar to those in the Rules of the N.S.I.S. (see above), to remove all the former provisions relating to Approved Lists and to an annual review of membership, to provide that further applications for membership from unsuccessful applicants shall not be considered within twelve months of rejection, to give power to the executive committee to terminate at any time the membership of any importer or agent who fails to comply with the Rules, Regulations or Bye-Laws or fails to pay his subscriptions, and to abolish the joint committee (which formerly considered applications for membership and also drew up the Approved Lists), transferring its remaining functions to the executive committee.

* This Appendix summarises certain amendments which have been made in the Rules or similar provisions of the Sections and Associations concerned since the 1953 report was made. The summary refers only to such amendments as may have some bearing on the present inquiry; it does not purport to bring the Rules, etc., as they existed in 1953 (see the 1953 report, Appendices (iv), (v), (vi), (vii) and (viii) up to date in all respects.

APPENDIX 3

(Referred to in paragraph 114)

TIME-TABLE OF EVENTS IN 1954

(S, H or P indicates that the particular event concerns the
softwood, hardwood or plywood trade only)

February	4	...		The T.T.F. told the Minister abrogation of the agreements was being recommended to Sections and Associations.
"	9	...	S	N.S.I.S.—abrogation resolution.
"	11	...	H	N.H.I.S.—abrogation resolution.
March	10	...	P	Plywood Section—abrogation resolution.
"	17	...	S	T.A.B.A.—abrogation resolution.
"	24	...	H	H.A.B.A.—abrogation resolution.
"	30	...		Resolutions sent to the Minister.
April	6	...	H	Consumer's* first purchase from Agent B.†
"	12	...	H	Consumer's* first purchase from Agent A.†
May	12	...	H	Liaison committee resolved that present structure of hardwood trade should be preserved.
"	26	...	S	N.S.I.S. committee appointed sub-committee to report on membership (see July 14).
July	1	...	S	T.A.B.A. committee enquired about additions to list of importers.
"	5	...	H	Consumer's first purchase from third agent (see paragraph 11).†
"	14	...	S	N.S.I.S. committee accepts recommendation of sub-committee (see May 26) that list of firms eligible for membership be sent to T.A.B.A.
"	27	...	H	Liaison committee. Agent A admits selling to consumer. Committee resolved that it is essential to maintain structure of trade: with this object, sub-committee appointed to draw up letter to be sent with lists.
"	28	...	H	Sub-committee met (probably).
"	28	...	H	N.H.I.S. committee is informed that liaison committee has "directed" that letters and lists be sent.
August	5	...	H	Letters and lists sent by N.H.I.S. and H.A.B.A.
July	...	...	H	Immediately after his disclosure, Agent A found some importers not offering business.
August	...	...	H	Probably early in August, Agent B decided to end the "experiment" of selling to the consumer because of remarks by importers and Agent A incident.
July	...	...	S	Officers of N.S.I.S. and T.A.B.A. discussed proposed exchange of lists. T.A.B.A. required importers' list as a matter of urgency.
September	...	...	S	Officers of N.S.I.S. and T.A.B.A. discussed proposed exchange of lists. T.A.B.A. required importers' list as a matter of urgency.
August	25	...	H	Agent A told the consumer he could no longer deal direct.
September	14	...	H	Importers' dinner.
"	14	...	S	Letters and lists of importers sent by T.A.B.A.
"	16	...	S	Letters and lists of agents sent by N.S.I.S.
"	17	...	H	Third agent told the consumer he could no longer deal direct.
"	22	...	S	Sending of letters and lists reported to N.S.I.S. committee.
"	23	...	S	Sending of letters and lists reported to T.A.B.A. committee.
"	23	...	S	T.A.B.A. general meeting adopted, without questions asked, report including expression of hope that members share view of executive committee (in letter of September 14) and would act accordingly.
"	24	...	H	Agent B told the consumer he could no longer deal direct.
October	6	...	H	Agents' dinner. Declarations by individual agents.
"	8	...		Board of Trade asked the T.T.F. for assurance that maintenance of lists did not conflict with Government policy.
"	18	...		The T.T.F. replied: no obligations or sanctions.
November	2	...	H	H.A.B.A. committee implicitly approved letter of August 5.
"	29	...		Board of Trade asked for further assurance after seeing T.A.B.A. letter of September 14.
December	23	...		The T.T.F. replied: members are under no obligation to heed advice in the letters.

* This is the consumer referred to in paragraph 11.

† These are the earliest dates mentioned by the consumer, as regards Agent A for a "purchase", and as regards the other two agents for "contracts". Negotiations may, of course, have begun earlier in each case.

INDEX

	<i>Pages</i>
Abbreviations	iii
Agents: general	2-3
outside T.T.F.	37-39
<i>see also</i> Agents' sales to consumers; Hardwood Agents & Brokers Association Ltd.; Lists of agents and importers; Plywood Section of T.T.F.; Timber Agents & Brokers Association of the United Kingdom.	
Agents' sales to consumers	3
Commission's conclusions	49-50, 52, 53-55
discussions relating to	10-12, 13-15, 17-18
of hardwood	9, 12-13, 37-39
of plywood	22-23, 37-38
T.T.F.'s case	41, 43-44, 45
Agreements and undertakings:	
on "Approved Lists"	4, 47, 48
on "Approved Lists": abrogation, 1954	5-8
—Commission's conclusions	47, 57
—Commission's conclusions and recommendations in 1953 Report	4, 47
—T.T.F.'s case	40-41
—trade's reactions	5-6, 7-8
position since abrogation: Commission's conclusions	47-57
—T.T.F.'s case	40-46
Approved Lists, <i>see under</i> Agreements and undertakings.	
British Railways	34
Colonial Development Corporation	33-34
Conclusions in 1953 Report, Summary of Commission's	4, 47
Conclusions, Summary of Commission's	57
Consumers	3
evidence	35-36
<i>see also</i> Direct buying by consumers; Agents' sales to consumers.	
Dinner parties	13
Commission's conclusions	52, 54
hardwood agents' party	13, 15-16, 17
hardwood importers' party	13-14
T.T.F.'s case	43
Direct buying by consumers	3, 36
discussions relating to	10-12, 13-15, 17-18
hardwood	33, 37-39
hardwood: test by important consumer	9-13
—Commission's conclusions	49-50, 52, 53-55
—T.T.F.'s case	41, 43-44, 45
plywood	22-23, 37-38
softwood	34, 35
Dollar hardwood import quota	33
Hardwood: imports	2
Hardwood Agents & Brokers Association Ltd. [H.A.B.A.]	4
abrogation of hardwood agreement	5-7
Chairman's dinner party	13, 15-16, 17, 43, 52, 54
list of importers sent to members	11-12
— <i>see also</i> Letters sent with lists of agents and importers.	
<i>see also</i> Hardwood liaison committee.	
Hardwood Importers' Section, <i>see</i> National Hardwood Importers' Section.	

	<i>Pages</i>
Hardwood liaison committee	8-9, 10-11, 28, 29-30
Commission's conclusions	49, 55
T.T.F.'s case	41
Hardwood trade:	
consumer and merchant evidence	36
maintenance of structure	7-19, 25-28
—Commission's conclusions	48, 49-55
—T.T.F.'s case	41-46
Importers: general	3
direct buying from shippers	14, 35
hardwood, <i>see under</i> Dinner parties.	
<i>see also</i> Hardwood liaison committee; Lists of agents and importers;	
National Hardwood Importers' Section; National Softwood Importers'	
Section; Plywood Section of T.T.F.	
Imports	2, 33
sources	2
Letters sent with lists of agents and importers, 1954:	
Board of Trade enquiry about	23-24
Commission's conclusions	50-51, 53-54
sent by N.H.I.S. and H.A.B.A.	10, 11-12, 16-19
sent by N.S.I.S. and T.A.B.A.	20-21
T.T.F.'s case	41-43, 44, 45
withdrawal	30-31, 32
—Commission's conclusions	52-53
—T.T.F.'s case	44-45
Liaison committees	21
<i>see also</i> Hardwood liaison committee.	
Lists of agents and importers	8
Board of Trade enquiry about	23-24
Commission's conclusions	51, 53
comparison of names on, with Approved Lists	32
hardwood trade	9, 10-12, 17, 27-28, 29-30, 31-32
softwood trade	19-21, 28-29, 30-31
T.T.F.'s case	42, 44-45, 46
Materials, Ministry of: abrogation of agreements	5-7, 9
Merchants: non-importing	3, 36
<i>see also</i> Importers.	
Methods of trading, <i>see</i> Structure of trade.	
National Hardwood Importers' Section [N.H.I.S.]	4
abrogation of hardwood agreement	5-8
discussions about methods of trading	26-27, 33-34
—Chairman's dinner party	13-14, 43, 52, 54
— <i>see also</i> Hardwood liaison committee.	
list of agents sent to members	11-12
— <i>see also</i> Letters sent with lists of agents and importers.	
National Softwood Importers' Section [N.S.I.S.]	4
abrogation of softwood agreement	5-7
amendment of Rules	59
discussions about methods of trading	34-35
list of agents sent to members	19-20
— <i>see also</i> Letters sent with lists of agents and importers.	
Plywood: imports	2
Plywood Section of T.T.F.	4
Bye-Laws: abrogation of agreement in	4, 5-7
list of members circulated	30
Rules: amendment of	6, 27, 31, 59

	<i>Pages</i>
Plywood trade: position 1954 onwards	22-23, 37-38
Commission's conclusions	48, 55-56, 57
T.T.F.'s case	45
Recommendation by Commission in 1953 Report	1, 4, 47
Recommended lists, <i>see</i> Lists of agents and importers.	
Reference made by the Board of Trade, 1957	1, 58
timber covered by original reference, 1951	2
Resolutions terminating agreements	6
Restrictive Trade Practices Act, 1956:	
liability to registration considered by T.T.F.	30-31, 44
Restrictive Trade Practices Bill: discussions about	27, 29
Shipper requests list of agents and importers	31
Shippers	2-3
complaints about certain agents made to	37-39
Softwood: imports	2
Softwood trade:	
consumer and merchant evidence	36
maintenance of structure	19-22
—Commission's conclusions	48, 54-57
—T.T.F.'s case	45-46
Structure of trade	2-3, 8, 36
consumers' views	36
use and meaning of term	16-17, 19, 50-51
<i>see also under</i> Hardwood trade; Softwood trade.	
Timber Agents & Brokers Association of the United Kingdom [T.A.B.A.]	4
abrogation of softwood agreement	5-6
discussions about methods of trading	26, 34
list of importers sent to members	19-20, 28
— <i>see also</i> Letters sent with lists of agents and importers.	
membership applications	39
Timber importing trade	1-4
Timber Trade Federation of the United Kingdom [T.T.F.]	3-4
abrogation of agreements: discussions	5-8
case	40-46
committee to consider Bill and Act, 1956	27, 29-30
Time-table of events in 1954	60
Trade, <i>see</i> Hardwood trade; Plywood trade; Softwood trade; Structure of trade.	
Trade associations	3-4
<i>see also under names.</i>	
Trade, Board of: enquiry about letters and lists	23-25
<i>see also</i> Materials, Ministry of.	
Traders: classes	2
<i>see also</i> Agents; Importers; Merchants: non-importing; Shippers.	
Users, <i>see</i> Consumers.	

