UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 10 - Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1999

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to _____________

Commission File Number: 1-5057

BOISE CASCADE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	82-0100960
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1111 West Jefferson Street P.O. Box 50 Boise, Idaho	83728-0001
(Address of principal executive offices)	(Zip Code)

(208) 384-6161

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding as of October 31, 1999
Common stock, $2.50 par value	57,138,591

PART I - FINANCIAL INFORMATION

BOISE CASCADE CORPORATION AND SUBSIDIARIES
STATEMENTS OF INCOME (LOSS)
(expressed in thousands, except per share data)

Item 1. Financial Statements

	Three Months Ended September 30	
	1999	1998
	(unaudited)	
Sales	$1,789,237	$1,597,990
Costs and expenses		
Materials, labor, and other operating expenses	1,385,602	1,268,120
Depreciation, amortization, and cost of company timber harvested	73,257	69,930
Selling and distribution expenses	179,988	164,860
General and administrative expenses	30,647	37,390
Other (income) expense, net	1,802	(51,860)
	1,671,296	1,488,440
Equity in net income of affiliates	2,066	1,630
Income from operations	120,007	111,180
Interest expense	(35,839)	(40,970)
Interest income	700	620
Foreign exchange gain (loss)	60	(210)
	(35,079)	(40,560)
Income before income taxes and minority interest	84,928	70,620
Income tax provision	(32,868)	(21,430)
Income before minority interest	52,060	49,190
Minority interest, net of income tax	(3,012)	(2,140)
Net income	$ 49,048	$ 47,050

Net income per common share

Basic	$ 0.80	$ 0.77
Diluted	$ 0.74	$ 0.72

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
STATEMENTS OF INCOME (LOSS)
(expressed in thousands, except per share data)

	Nine Months Ended September 30	
	1999	1998
	(unaudited)	
Sales	$5,078,398	$4,625,940
Costs and expenses		
Materials, labor, and other operating expenses	3,929,618	3,661,070
Depreciation, amortization, and cost of company timber harvested	213,735	211,320
Selling and distribution expenses	546,953	486,790
General and administrative expenses	94,310	111,520
Other (income) expense, net	(30,904)	29,650
	4,753,712	4,500,350
Equity in net income (loss) of affiliates	6,024	(3,720)
Income from operations	330,710	121,870
Interest expense	(107,598)	(121,930)
Interest income	1,878	1,790
Foreign exchange gain (loss)	133	(300)
	(105,587)	(120,440)
Income before income taxes, minority interest, and cumulative effect of accounting change	225,123	1,430
Income tax provision	(91,175)	(11,050)
Income (loss) before minority interest and cumulative effect of accounting change	133,948	(9,620)
Minority interest, net of income tax	(9,695)	(7,730)
Income (loss) before cumulative effect of accounting change	124,253	(17,350)
Cumulative effect of accounting change, net of income tax	-	(8,590)
Net income (loss)	$ 124,253	$ (25,940)
Net income (loss) per common share		
Basic before cumulative effect of accounting change	$ 2.01	$ (0.60)
Cumulative effect of accounting change	-	(0.15)
Basic	$ 2.01	$ (0.75)
Diluted before cumulative effect of accounting change	$ 1.88	$ (0.60)
Cumulative effect of accounting change	-	(0.15)
Diluted	$ 1.88	$ (0.75)

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
BALANCE SHEETS
(expressed in thousands)

ASSETS

	September 30 1999	September 30 1998	December 31 1998
	(unaudited)	(unaudited)	
Current			
Cash	$ 67,891	$ 69,048	$ 66,469
Cash equivalents	2,226	3,615	7,899
	70,117	72,663	74,368
Receivables, less allowances of $11,722, $9,821, and $10,933	698,027	653,491	526,359
Inventories	652,825	601,967	625,218
Deferred income tax benefits	72,171	74,114	92,426
Other	48,536	27,101	50,035
	1,541,676	1,429,336	1,368,406
Property			
Property and equipment			
Land and land improvements	67,301	55,586	63,307
Buildings and improvements	600,934	568,045	575,509
Machinery and equipment	4,231,362	4,109,958	4,082,724
	4,899,597	4,733,589	4,721,540
Accumulated depreciation	(2,344,495)	(2,152,326)	(2,150,385)
	2,555,102	2,581,263	2,571,155
Timber, timberlands, and timber deposits	272,868	271,212	270,570
	2,827,970	2,852,475	2,841,725
Goodwill, net of amortization of $48,750, $34,091, and $37,327	505,088	449,385	501,691
Investments in equity affiliates	37,336	27,223	27,162
Other assets	232,424	227,706	232,115
Total assets	$5,144,494	$4,986,125	$4,971,099

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
BALANCE SHEETS
(expressed in thousands, except share amounts)

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30 1999	September 30 1998	December 31 1998
	(unaudited)	(unaudited)	
Current			
Short-term borrowings	$ 152,171	$ 167,465	$ 129,512
Current portion of long-term debt	107,951	57,143	161,473
Income taxes payable	687	-	-
Accounts payable	575,773	501,085	499,489
Accrued liabilities			
Compensation and benefits	153,589	137,730	130,480
Interest payable	27,566	39,999	36,166
Other	186,633	219,868	172,980
	1,204,370	1,123,290	1,130,100
Debt			
Long-term debt, less current portion	1,571,116	1,667,855	1,578,136
Guarantee of ESOP debt	149,506	171,513	155,731
	1,720,622	1,839,368	1,733,867
Other			
Deferred income taxes	301,384	243,493	257,360
Other long-term liabilities	252,170	219,339	301,920
	553,554	462,832	559,280
Minority interest	126,814	114,935	116,753
Shareholders' equity			
Preferred stock -- no par value; 10,000,000 shares authorized; Series D ESOP: $.01 stated value; 5,032,492; 5,406,548; and 5,356,648 shares outstanding	226,462	243,295	241,049
Deferred ESOP benefit	(149,506)	(171,513)	(155,731)
Common stock -- $2.50 par value; 200,000,000 shares authorized; 57,136,920; 56,333,984; and 56,338,426 shares outstanding	142,842	140,835	140,846
Additional paid-in capital	448,267	420,724	420,890
Retained earnings	883,329	817,013	791,618
Accumulated other comprehensive income (loss)	(12,260)	(4,654)	(7,573)
Total shareholders' equity	1,539,134	1,445,700	1,431,099
Total liabilities and shareholders' equity	$5,144,494	$4,986,125	$4,971,099

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(expressed in thousands)

	Nine Months Ended September 30	
	1999	1998
	(unaudited)	
Cash provided by (used for) operations		
Net income (loss)	$ 124,253	$ (25,940)
Cumulative effect of accounting change, net of income tax	-	8,590
Items in net income (loss) not using (providing) cash		
Equity in net (income) loss of affiliates	(6,024)	3,720
Depreciation, amortization, and cost of company timber harvested	213,735	211,320
Deferred income tax provision	77,929	6,277
Minority interest, net of income tax	9,695	7,730
Restructuring activity	(36,322)	80,903
Other	(133)	(47,399)
Receivables	(128,018)	4,444
Inventories	25,892	28,112
Accounts payable and accrued liabilities	49,358	49,151
Current and deferred income taxes	(5,623)	(15,667)
Other	10,100	20,437
Cash provided by operations	334,842	331,678
Cash provided by (used for) investment		
Expenditures for property and equipment	(161,032)	(175,805)
Expenditures for timber and timberlands	(2,855)	(6,973)
Investments in equity affiliates, net	(80)	(429)
Purchases of assets	(97,842)	(4,042)
Other	(16,728)	(18,995)
Cash used for investment	(278,537)	(206,244)
Cash provided by (used for) financing		
Cash dividends paid		
Common stock	(25,438)	(25,324)
Preferred stock	(8,796)	(12,911)
	(34,234)	(38,235)
Short-term borrowings	22,659	72,665
Additions to long-term debt	143,834	179,672
Payments of long-term debt	(206,220)	(212,308)
Series F preferred stock redemption	-	(115,005)
Other	13,405	(3,146)
Cash used for financing	(60,556)	(116,357)
Increase (decrease) in cash and cash equivalents	(4,251)	9,077
Balance at beginning of the year	74,368	63,586
Balance at September 30	$ 70,117	$ 72,663

The accompanying notes are an integral part of these Financial Statements.

NOTES TO QUARTERLY FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION. We have prepared the quarterly financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. These statements should be read together with the statements and the accompanying notes included in our 1998 Annual Report.

The quarterly financial statements have not been audited by independent public accountants, but in the opinion of management, all adjustments necessary to present fairly the results for the periods have been included. The net income (loss) for the three and nine months ended September 30, 1999 and 1998, necessarily involved estimates and accruals. Except as may be disclosed within these "Notes to Quarterly Financial Statements," the adjustments made were of a normal, recurring nature. Quarterly results are not necessarily indicative of results that may be expected for the year.

(2) OTHER (INCOME) EXPENSE, NET. "Other (income) expense, net" includes gains and losses on the sale and disposition of property and other miscellaneous income and expense items. The components of "Other (income) expense, net" in the Statements of Income (Loss) are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998

	(expressed in thousands)			
Restructuring activity	$ -	$ -	$(35,526)	$ 80,903
Medford fire	-	(45,000)	-	(45,000)
Other, net	1,802	(6,860)	4,622	(6,253)
	$ 1,802	$(51,860)	$(30,904)	$ 29,650

On September 6, 1998, our Medford, Oregon, plywood plant was severely damaged by fire. In the third quarter of 1998, we recorded a net gain related to an insurance settlement for this fire. For discussion of the restructuring activity, see Note 13.

(3) NET INCOME (LOSS) PER COMMON SHARE. Net income (loss) per common share was determined by dividing net income (loss), as adjusted, by applicable shares outstanding. For the nine months ended September 30, 1998, the computation of diluted net loss per share was antidilutive; therefore, amounts reported for basic and diluted loss were the same.

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
	(expressed in thousands)			
BASIC				
Net income (loss) as reported, before cumulative effect of accounting change	$ 49,048	$ 47,050	$124,253	$(17,350)
Preferred dividends(a)	(3,429)	(3,515)	(10,284)	(12,094)
Excess of Series F Preferred Stock redemption price over carrying value(b)	-	-	-	(3,958)
Basic income (loss) before cumulative effect of accounting change	45,619	43,535	113,969	(33,402)
Cumulative effect of accounting change, net of income tax	-	-	-	(8,590)
Basic income (loss)	$ 45,619	$ 43,535	$113,969	$(41,992)
Average shares outstanding used to determine basic income (loss) per common share	57,078	56,332	56,685	56,297
DILUTED				
Basic income (loss) before cumulative effect of accounting change	$ 45,619	$ 43,535	$113,969	$(33,402)
Preferred dividends eliminated	3,429	3,515	10,284	-
Supplemental ESOP contribution	(2,930)	(3,001)	(8,790)	-
Diluted income (loss) before cumulative effect of accounting change	46,118	44,049	115,463	(33,402)
Cumulative effect of accounting change, net of income tax	-	-	-	(8,590)
Diluted income (loss)	$ 46,118	$ 44,049	$115,463	$(41,992)
Average shares outstanding used to determine basic income (loss) per common share	57,078	56,332	56,685	56,297
Stock options and other	499	134	430	-
Series D conversion preferred stock	4,090	4,383	4,178	-
Average shares used to determine diluted income (loss) per common share	61,667	60,849	61,293	56,297

(a) Dividend attributable to the company's Series D convertible preferred stock held by the company's ESOP (Employee Stock Ownership Plan) is net of a tax benefit.

(b) Nine months ended September 30, 1998, included a negative seven cents related to the redemption of the Series F preferred stock. The loss used in the calculation of loss per share was increased by the excess of the amount paid to redeem the preferred stock over its carrying value.

(4) COMPREHENSIVE INCOME (LOSS). Comprehensive income (loss) for the periods include the following:

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
	(expressed in thousands)			
Net income (loss)	$ 49,048	$ 47,050	$124,253	$(25,940)
Other comprehensive income (loss)				
Cumulative foreign currency translation adjustment, net of income taxes	3,108	2,721	(4,687)	3,956
Comprehensive income (loss), net of income taxes	$ 52,156	$ 49,771	$119,566	$(21,984)

(5) RECEIVABLES. In late September 1998, we sold fractional ownership interests in a defined pool of trade accounts receivable. At September 30, 1999, and December 31, 1998, $100.0 million and $79.0 million of sold accounts receivable were excluded from receivables in the accompanying balance sheets. The portion of fractional ownership interest retained by us is included in accounts receivable in the balance sheets. The increase in sold accounts receivable over the amount at December 31, 1998, also represents an increase in cash provided by operations for the nine months ended September 30, 1999. This program represents a revolving sale of receivables committed to by the purchasers for 364 days and is subject to renewal. Costs related to the program are included in "Other (income) expense, net" in the Statements of Income (Loss). Under the accounts receivable sale agreement, the maximum amount available from time to time is subject to change based on the level of eligible receivables, restrictions on concentrations of receivables, and the historical performance of the receivables we sell.

(6) DEFERRED SOFTWARE COSTS. We defer certain software costs that benefit future years. These costs are amortized on the straight-line method over the expected useful life of the product. "Other assets" in the balance sheets include deferred software costs of $51.3 million, $36.9 million, and $47.1 million at September 30, 1999 and 1998, and December 31, 1998.

AICPA Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use," became effective beginning in 1999. We account for software costs in accordance with this statement. The implementation of this statement had no financial statement impact on us.

(7) INVENTORIES. Inventories include the following:

	September 30		December 31
	1999	1998	1998
	(expressed in thousands)		
Finished goods and work in process	$506,614	$458,999	$456,577
Logs	63,246	74,097	87,688
Other raw materials and supplies	145,167	145,144	145,319
LIFO reserve	(62,202)	(76,273)	(64,366)
	$652,825	$601,967	$625,218

(8) CUMULATIVE EFFECT OF ACCOUNTING CHANGE. As of January 1, 1998, we adopted the provisions of a new accounting standard, AICPA Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities," which required the write-off of previously capitalized preoperating costs. Adoption of this standard resulted in a charge for the cumulative effect of accounting change, net of tax, of $8.6 million, or 15 cents per basic and diluted loss per share, for the nine months ended September 30, 1998.

(9) INCOME TAXES. We used an estimated annual tax provision rate of 40.5% for the nine months ended September 30, 1999. Due to low income levels, the tax benefit rate for the nine months ended September 30, 1998, was not meaningful. Our actual 1998 benefit rate was 5.7%. Excluding nonroutine items in 1998, the annual tax provision rate would have been 44%. Our tax rate is subject to fluctuations due primarily to the sensitivity of the rate to low income levels, the impact of nonroutine items, and the mix of income sources.

For the three and nine months ended September 30, 1999, we paid income taxes, net of refunds received, of $5.2 million and $12.5 million. We paid $1.2 million and $10.3 million for the same periods in 1998.

(10) DEBT. At September 30, 1999, we had a revolving credit agreement with a group of banks that permits us to borrow as much as $600.0 million at variable interest rates based on customary indices. This agreement

expires in June 2002. The revolving credit agreement contains financial covenants relating to minimum net worth, minimum interest coverage ratios, and ceiling ratios of debt to capitalization. Under this agreement, the payment of dividends is dependent upon the existence of and the amount of net worth in excess of the defined minimum. Our net worth at September 30, 1999, exceeded the defined minimum by $176.7 million. At September 30, 1999, there were $195.0 million of borrowings outstanding under this agreement.

Our majority-owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), has a $450.0 million revolving credit agreement with a group of banks that expires in June 2001 and provides variable interest rates based on customary indices. The BCOP revolving credit facility contains customary restrictive financial and other covenants, including a negative pledge and covenants specifying a minimum fixed charge coverage ratio and a maximum leverage ratio. BCOP may, subject to the covenants contained in the credit agreement and to market conditions, raise additional funds through the agreement and through other external debt or equity financings in the future. Borrowings under BCOP's agreement were $155.0 million at September 30, 1999.

In October 1998, we entered into an interest rate swap with a notional amount of $75.0 million and an effective fixed rate of 5.1% with respect to $75.0 million of our revolving credit agreement borrowings. BCOP also entered into an interest rate swap with a notional amount of $25.0 million and an effective fixed interest rate of 5.0% with respect to $25.0 million of their revolving credit agreement borrowings. Both swaps expire in 2000. We are exposed to credit-related gains or losses in the event of nonperformance by counterparties to these swaps; however, we do not expect any counterparties to fail to meet their obligations.

Also at September 30, 1999, we had $82.1 million of short-term borrowings outstanding and BCOP had $70.1 million of short-term borrowings outstanding. At September 30, 1998, we had $93.5 million short-term borrowings outstanding, while BCOP had $74.0 million of short-term borrowings outstanding. The maximum amount of short-term borrowings outstanding during the nine months ended September 30, 1999 and 1998, was $293.3 million and $279.9 million. The average amount of short-term borrowings outstanding during the nine months ended September 30, 1999 and 1998, was $162.2 million and $205.9 million. The average interest rate for these borrowings was 5.4% for 1999 and 5.9% for 1998.

At September 30, 1999, we had $430.0 million and BCOP had $150.0 million of unused borrowing capacity registered with the Securities and Exchange Commission for additional debt securities.

In March 1999, we filed a registration statement covering $300.0 million in universal shelf capacity with the Securities and Exchange Commission. We have not yet requested final approval of this registration statement from the Securities and Exchange Commission. Once approved, this registration statement allows us to issue debt and/or equity securities in one or more offerings.

Cash payments for interest, net of interest capitalized, were $38.5 million and $116.2 million for the three and nine months ended September 30, 1999, and $43.5 million and $121.1 million for the three and nine months ended September 30, 1998.

(11) BOISE CASCADE OFFICE PRODUCTS CORPORATION. During the first nine months of both 1999 and 1998, BCOP completed two acquisitions, all of which were accounted for under the purchase method of accounting. Accordingly, the purchase prices were allocated to the assets acquired and liabilities assumed based upon their estimated fair values.

On January 11, 1999, BCOP acquired the office supply business of Wallace Computer Services, based in Lisle, Illinois. In September 1999, BCOP acquired Supply West, based in Perth, Western Australia. The transactions were completed for cash of $7.6 million and the recording of $2.6 million of acquisition liabilities.

On January 12, 1998, BCOP acquired the direct marketing business of Fidelity Direct, based in Minneapolis, Minnesota. On February 28, 1998, BCOP acquired the direct marketing business of Sistemas Kalamazoo, based in Spain. These transactions were completed for cash of $4.0 million, debt assumed of $0.2 million, and the recording of $3.8 million of acquisition liabilities.

If the 1999 acquisitions had occurred on January 1, 1999, and if the 1999 and 1998 acquisitions had occurred on January 1, 1998, there would be no significant change in the results of operations for the first nine months of either 1999 or 1998. This unaudited pro forma financial information does not necessarily represent the actual results of operations that would have occurred if the acquisitions had taken place on the dates assumed.

(12) NEW ACCOUNTING STANDARDS. In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. This statement is effective for fiscal years beginning after June 15, 2000. We plan to adopt this statement in the first quarter of 2001. We are in the process of reviewing this new standard. Adoption of this statement is not expected to have a significant impact on our results of operations or financial position.

(13) RESTRUCTURING ACTIVITIES. Late in the second quarter of 1998, we adopted a plan to restructure our wood products manufacturing business and announced the permanent closure of four facilities, including

sawmills in Elgin, Oregon; Horseshoe Bend, Idaho; and Fisher, Louisiana; and a plywood plant in Yakima, Washington. Second quarter 1998 results were negatively impacted by $61.9 million for this restructuring charge. We closed the sawmills in Horseshoe Bend and Fisher in 1998. In late May 1999, we decided to indefinitely continue operations at the Elgin and Yakima mills. This decision was based on recent changes in wood supply and costs, product prices, improved plant operations, and the impact of a fire at our Elgin plywood plant in May 1999. As a result of this decision, in the second quarter of 1999, our building products segment reversed previously recorded restructuring charges totaling $35.5 million. Of this amount, $23.5 million reversed restructuring accruals as shown in the table that follows and $12.0 million related to the restoration of the net book value of these two facilities. This adjustment is recorded in "Other (income) expense, net" in the accompanying Statements of Income (Loss). The two closed plants had sales of $7.6 million and $30.4 million for the three and nine months ended September 30, 1998. Operating losses for the three and nine months ended September 30, 1998, totaled $2.4 million and $6.7 million.

Also in the second quarter of 1998, our paper and paper products segment recorded a pretax charge of $19.0 million related to the revaluation of paper-related assets. Included in the revaluation was the $8.0 million write-down to zero of our investment in a now terminated joint venture in China that produced carbonless paper. Also written down by approximately $5.0 million were the fixed assets of a small corrugating facility that was sold in March 1999 for its approximate remaining book value. We also wrote off $6.0 million in an investment in a bankrupt recycling joint venture and miscellaneous equipment that had no future value.

In the fourth quarter of 1998, we announced a company-wide cost-reduction initiative and the restructuring of certain operations. Specific actions included the elimination of job positions in our manufacturing businesses and Boise headquarters through a combination of early retirements, layoffs, and attrition and the closure of our paper research and development facility in Portland, Oregon. These charges totaled $26.9 million. Also in the fourth quarter of 1998, BCOP announced the closure of eight facilities in the United Kingdom and the integration of selected functions of the operations with their other United Kingdom operations. These BCOP closures were expected to be completed during the first half of 1999 resulting in work force reductions of approximately 140 employees. BCOP also dissolved an unprofitable joint venture in Germany at a cost of about $4.0 million. BCOP restructuring charges totaled $11.1 million.

During the first quarter 1999, we recorded $4.4 million of additional restructuring expense related to the early retirement program announced in fourth quarter 1998. The noncash charge was for the present value of unrecorded early retirement benefits. These charges were accrued when the retiring individuals legally accepted the early retirement offer.

During the second quarter of 1999, BCOP revised the amount of the restructuring reserve established in the fourth quarter of 1998, for their United Kingdom operations. The restructuring program was less costly than originally anticipated due to lower legal and professional fees, a sublease of one of the facilities, a decision to retain a small printing portion of the business, and fewer terminations of employees. As a result, BCOP recorded an increase to operating income of approximately $4.0 million in the second quarter of 1999. The increase to income included $0.5 million for reduced employee-related costs and $3.5 million for other exit costs including lower lease costs and lower-than-expected inventory write-downs. The adjustment related to inventory of about $0.8 million is included in "Materials, labor, and other operating expenses" in the accompanying Statements of Income (Loss). The other adjustments are included in "Other (income) expense, net."

Our paper and paper products segment also adjusted reserves recorded in fourth quarter 1998 for the elimination of job positions and the closure of our research and development facility in Portland, Oregon, to reflect our actual experience. These adjustments increased this segment's second quarter income by $1.2 million. These adjustments are also reflected in "Other (income) expense, net" in the Statements of Income (Loss). The following table shows that only $0.1 million of this adjustment reduced our restructuring liability reserve account. The balance of the adjustment was reflected as additional expense and pension liability of $1.1 million offset by gains of $2.2 million from the sale of the research and development building and equipment.

Restructuring activities related to these 1998 charges through September 30, 1999, are as follows:

	Asset Write-Downs	Employee-Related Costs	Other Exit Costs	Total
	(expressed in thousands)			
SECOND QUARTER 1998				
BUILDING PRODUCTS				
1998 expense recorded	$ 27,200	$ 14,000	$ 20,700	$ 61,900
Assets written down	(27,200)	-	-	(27,200)
Charges against reserve	-	(4,500)	(1,300)	(5,800)
Restructuring reserve at December 31, 1998	-	9,500	19,400	28,900

Reserves credited to income	-	(7,300)	(16,200)	(23,500)
Proceeds from sales of assets	-	-	400	400
Charges against reserve	-	(1,700)	(1,000)	(2,700)
Restructuring reserve at September 30, 1999	$ -	$ 500	$ 2,600	$ 3,100
PAPER AND PAPER PRODUCTS				
1998 expense recorded	$ 18,800	$ 200	$ -	$ 19,000
Assets written down	(18,800)	-	-	(18,800)
Restructuring reserve at December 31, 1998	-	200	-	200
Charges against reserve	-	(200)	-	(200)
Restructuring reserve at September 30, 1999	$ -	$ -	$ -	$ -
FOURTH QUARTER 1998				
OFFICE PRODUCTS				
1998 expense recorded	$ 300	$ 1,400	$ 9,400	$ 11,100
Assets written down	(300)	-	-	(300)
Charges against reserve	-	(200)	(3,300)	(3,500)
Restructuring reserve at December 31, 1998	-	1,200	6,100	7,300
Reserves credited to income	-	(500)	(3,500)	(4,000)
Charges against reserve	-	(600)	(1,100)	(1,700)
Restructuring reserve at September 30, 1999	$ -	$ 100	$ 1,500	$ 1,600
BUILDING PRODUCTS				
1998 expense recorded	$ -	$ 2,800	$ -	$ 2,800
Pension liability recorded	-	(2,200)	-	(2,200)
Restructuring reserve at December 31, 1998	-	600	-	600
Charges against reserve	-	(300)	-	(300)
Restructuring reserve at September 30, 1999	$ -	$ 300	$ -	$ 300
PAPER AND PAPER PRODUCTS				
1998 expense recorded	$ 7,200	$ 11,300	$ -	$ 18,500
Assets written down	(7,200)	-	-	(7,200)
Pension liability recorded	-	(4,500)	-	(4,500)
Charges against reserve	-	(800)	-	(800)
Restructuring reserve at December 31, 1998	-	6,000	-	6,000
Reserves credited to income	-	(100)	-	(100)
Charges against reserve	-	(3,800)	-	(3,800)
Restructuring reserve at September 30, 1999	$ -	$ 2,100	$ -	$ 2,100
CORPORATE AND OTHER				
1998 expense recorded	$ -	$ 5,200	$ 400	$ 5,600
Pension liability recorded	-	(3,200)	-	(3,200)
Restructuring reserve at December 31, 1998	-	2,000	400	2,400
Expense recorded	-	4,400	-	4,400
Pension liability recorded	-	(4,400)	-	(4,400)
Reclass from other accounts	-	500	-	500
Charges against reserve	-	(2,000)	(100)	(2,100)
Restructuring reserve at September 30, 1999	$ -	$ 500	$ 300	$ 800
TOTAL SECOND AND FOURTH QUARTER				
1998 expense recorded	$ 53,500	$34,900	$ 30,500	$118,900
Assets written down	(53,500)	-	-	(53,500)
Pension liability recorded	-	(9,900)	-	(9,900)
Charges against reserve	-	(5,500)	(4,600)	(10,100)
Restructuring reserve at December 31, 1998	-	19,500	25,900	45,400
Expense recorded	-	4,400	-	4,400
Pension liability recorded	-	(4,400)	-	(4,400)
Reclass from other				

accounts	-	500	-	500
Reserve credited to income	-	(7,900)	(19,700)	(27,600)
Proceeds from sale of assets	-	-	400	400
Charges against reserve	-	(8,600)	(2,200)	(10,800)
Restructuring reserve at September 30, 1999	$ -	$ 3,500	$ 4,400	$ 7,900

Charges against the reserve in other exit costs included $4.0 million of costs to dissolve the BCOP joint venture in Germany and the write-down of contracts to their realizable value.

The impact of the 1999 restructuring charge adjustments described above increased net income $21.9 million and basic and diluted income per share $0.39 and $0.36 for the nine months ended September 30, 1999.

Second quarter 1998 results were negatively impacted by the $61.9 million restructuring charge in the building products segment described above and a $19.0 million charge in the paper and paper products segment for the revaluation of paper-related assets. These charges reduced net income $65.2 million or $1.16 per basic and diluted share for the nine months ended September 30, 1998.

The estimated number of employees impacted by the 1998 restructuring activities described above and the number who have left the company as of September 30, 1999, are as follows:

	Employees To Be Terminated		Employees Terminated
	Original Estimate	Revised Estimate	Through September 30, 1999
Second Quarter 1998			
Building products	494	182	182
Fourth Quarter 1998			
Office products	140	100	90
Building products	40	40	22
Paper and paper products	212	212	144
Corporate and other	92	92	51
Total	978	626	489

In addition to the employees discussed above, we have eliminated approximately another 100 positions by not filling already vacant positions or through normal attrition. No reserves were established related to these job eliminations.

(14) ACQUISITION. On September 16, 1999, we completed the acquisition of Furman Lumber, Inc., a building supplies distributor headquartered in Billerica, Massachusetts, with 12 locations in the eastern, Midwestern, and southern states. The purchase price was approximately $92.7 million, including cash payments of $90.2 million and assumption of debt.

This acquisition was accounted for under the purchase method of accounting. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values.

The initial purchase price allocations may be adjusted within one year of the date of purchase for changes in estimates of the fair values of assets and liabilities. Such adjustments are not expected to be significant to our results of operations or our financial position. The excess of the purchase price over the estimated fair value of the net assets acquired was recorded as goodwill and is being amortized over 40 years. The results of operations of the acquired business is included in our operations subsequent to the date of acquisition.

If this acquisition had occurred on January 1, 1999, pro forma sales for the nine months ended September 30, 1999, would have been $5.6 billion, pro forma net income would have been $126.0 million, and pro forma basic and diluted earnings per share would have been $2.04 and $1.91. If this acquisition had occurred January 1, 1998, pro forma sales for the nine months ended September 30, 1998, would have been $5.1 billion, pro forma net loss would have been $25.0 million, and pro forma basic and diluted loss per share would have been $0.73. This unaudited pro forma financial information does not necessarily represent the actual results of operations that would have resulted if the acquisition had occurred on the dates assumed.

(15) SEGMENT INFORMATION. We have had no differences from our last annual report in our basis of segmentation or in our basis of measurement of segment profit or loss. An analysis of our operations by segment is as follows. For a discussion of nonroutine items impacting our segments, see Note 13, Restructuring Activities.

Income

	Sales			(Loss) Before Taxes, Minority Interest, and Cumulative Effect of Accounting Change(a)
	Trade	Inter-Segment	Total	
	(expressed in millions)			
Three Months Ended September 30, 1999				
Office products	$ 838.4	$ .1	$ 838.5	$ 34.8
Building products	585.2	9.0	594.2	60.2
Paper and paper products	357.6	91.7	449.3	35.3
Corporate and other	8.0	14.1	22.1	(9.6)
Total	1,789.2	114.9	1,904.1	120.7
Intersegment eliminations	-	(114.9)	(114.9)	-
Interest expense	-	-	-	(35.8)
Consolidated Totals	$1,789.2	$ -	$1,789.2	$ 84.9
Three Months Ended September 30, 1998				
Office products	$ 760.2	$ .2	$ 760.4	$ 28.0
Building products	483.6	10.8	494.4	84.2
Paper and paper products	347.7	87.9	435.6	8.2
Corporate and other	6.5	12.9	19.4	(8.8)
Total	1,598.0	111.8	1,709.8	111.6
Intersegment eliminations	-	(111.8)	(111.8)	-
Interest expense	-	-	-	(41.0)
Consolidated Totals	$1,598.0	$ -	$1,598.0	$ 70.6
Nine Months Ended September 30, 1999				
Office products	$2,488.1	$ .4	$2,488.5	$ 110.4
Building products	1,555.1	25.2	1,580.3	198.7
Paper and paper products	1,012.0	257.7	1,269.7	57.8
Corporate and other	23.2	40.9	64.1	(34.2)
Total	5,078.4	324.2	5,402.6	332.7
Intersegment eliminations	-	(324.2)	(324.2)	-
Interest expense	-	-	-	(107.6)
Consolidated Totals	$5,078.4	$ -	$5,078.4	$ 225.1
Nine Months Ended September 30, 1998				
Office products	$2,252.2	$ .9	$2,253.1	$ 94.8
Building products	1,280.8	31.5	1,312.3	30.5
Paper and paper products	1,075.0	274.3	1,349.3	27.2
Corporate and other	17.9	42.4	60.3	(29.2)
Total	4,625.9	349.1	4,975.0	123.3
Intersegment eliminations	-	(349.1)	(349.1)	-
Interest expense	-	-	-	(121.9)
Consolidated Totals	$4,625.9	$ -	$4,625.9	$ 1.4

(a) Interest income has been allocated to our segments in the amounts of $700,000 and $1,878,000 for the three and nine months ended September 30, 1999, and $620,000 and $1,790,000 for the three and nine months ended September 30, 1998.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
	(expressed in millions, except per share data)			
Sales	$1,789.2	$1,598.0	$5,078.4	$4,625.9
Net income (loss)	$ 49.0	$ 47.1	$ 124.3	$ (25.9)
Net income (loss) per diluted share	$ 0.74	$ 0.72	$ 1.88	$ (0.75)
Net income before nonroutine items	$ 49.0	$ 12.4	$ 102.4	$ 13.2
Net income per diluted share before nonroutine items	$ 0.74	$ 0.14	$ 1.52	$ 0.01
	(percent of sales)			
Materials, labor, and other operating expenses	77.4%	79.4%	77.4%	79.1%
Selling and distribution expenses	10.1%	10.3%	10.8%	10.5%
General and administrative expenses	1.7%	2.3%	1.9%	2.4%

In October 1999, we filed an amended 1998 Form 10-K and amended first and second quarter 1999 Form 10-Qs. The amendments decreased the reported net loss in the fourth quarter of 1998 by $2.7 million, or 4 cents per diluted share, and decreased reported net income and diluted income per share in the first quarter of 1999 and year-to-date 1999 by the same amounts. We amended our filings following discussions with the Securities and Exchange Commission concerning the timing of charges related to an early retirement program announced in the fourth quarter of 1998. Additional disclosure was also included in the amended filings. The increased 1999 pretax expense of $4.4 million is recorded in "Other (income) expense, net" in the nine months ended September 30, 1999, Statement of Income.

Additionally, the results for the nine months ended September 30, 1999, included $24.6 million, or 43 cents and 40 cents per basic and diluted share for the reversal of restructuring reserves established in 1998. The results for the three and nine months ended September 30, 1998, included a gain of $34.7 million related to an insurance settlement for a fire at our Medford, Oregon, plywood plant. Basic income per share increased 62 cents and diluted income per share increased 58 cents for the three months ended September 30, 1998. Basic and diluted loss per share was reduced 62 cents for the nine months ended September 30, 1998. The results for the nine months ended September 30, 1998, included a charge of $65.2 million, or $1.16 per basic and diluted share for restructuring charges in the building products segment and the revaluation of paper-related assets in the paper and paper products segment. See Note 13 in the Notes to Quarterly Financial Statements for additional information on our restructuring activities. See also the discussion by segment in this MD&A.

The improvement in materials, labor, and other operating expenses as a percent of sales for the periods presented is primarily due to the increased sales prices which increase sales without a corresponding increase in costs and reduced wood and conversion costs in our building products segment. The higher percentage in selling and distribution expenses for the nine months ended September 30, 1999, compared to the same period in 1998, is due primarily to the increased office products sales which have higher associated selling and distribution costs. General and administrative expenses have decreased as a percentage of sales due in part to our cost reduction efforts as well as leveraging fixed costs over higher sales.

The restructuring and cost-saving efforts announced in 1998 have improved our 1999 results. The following table shows the estimated increase in 1999 operating income compared with the same periods in 1998 as a result of our restructurings and other cost saving initiatives.

	Three Months Ended September 30, 1999		Nine Months Ended September 30, 1999	
	Cash	Noncash	Cash	Noncash
	(expressed in millions)			
Office products				
Improved operating results over 1998 for restructured European locations	$ -	$ 1.2	$ -	$ 3.1
Building products				
1998 operating losses for closed locations	2.4	-	5.7	1.0
Cost savings	1.0	-	2.0	-
Paper and paper products				
Cost savings	13.6	.4	33.9	1.1
Corporate and other				
Cost savings	5.0	-	8.0	-
Total	$ 22.0	$ 1.6	$ 49.6	$ 5.2

As of January 1, 1998, we adopted the provisions of a new accounting standard, AICPA Statement of Position 98-5, "Reporting on the Costs of Start-up Activities." This statement required the write-off of previously capitalized preoperating costs, which resulted in an after-tax charge of $8.6 million, or 15 cents per basic and diluted share for the nine months ended September 30, 1998. Also included in the nine months ended September 30, 1998, earnings per share is a negative seven cents per basic and diluted share related to the redemption of our Series F preferred stock.

Interest expense was $35.8 million in the third quarter of 1999, compared with $41.0 million in the same period last year. Interest expense was $107.6 million for the first nine months of 1999, compared with $121.9 million in the same period last year. The decreases were due primarily to lower debt levels.

We used an estimated annual tax provision rate of 40.5% for the nine months ended September 30, 1999. Due to low income levels, the tax benefit rate for the nine months ended September 30, 1998, was not meaningful. Our actual 1998 benefit rate was 5.7%. Excluding nonroutine items in 1998, the annual tax provision rate would have been 44%. Our tax rate is subject to fluctuations due primarily to the sensitivity of the rate to low income levels, the impact of nonroutine items, and the mix of income sources.

Office Products Distribution

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998

	1999	1998	1999	1998
	(expressed in millions)			
Sales	$ 838.5	$ 760.4	$2,488.5	$2,253.1
Segment income	$ 34.8	$ 28.0	$ 110.4	$ 94.8
Segment income before nonroutine items	$ 34.8	$ 28.0	$ 106.4	$ 94.8
	(percent of sales)			
Gross profit	24.8%	24.8%	25.7%	25.4%
Operating expenses	20.7%	21.1%	21.3%	21.2%
Operating expenses before nonroutine items	20.7%	21.1%	21.5%	21.2%
Operating profit	4.1%	3.7%	4.4%	4.2%
Operating profit before nonroutine items	4.1%	3.7%	4.3%	4.2%

During the second quarter of 1999, BCOP revised the amount of a restructuring reserve for its United Kingdom operations. The restructuring program was less costly than originally anticipated due to lower professional and legal fees, a sublease of one of the facilities, a decision to retain a small printing portion of the business, and fewer terminations of employees. As a result, they recorded an increase to operating income of approximately $4.0 million in the second quarter of 1999. The increase to income included $0.5 million for reduced employee-related costs and $3.5 million for other exit costs including lower lease costs and lower-than-expected inventory write-downs of $0.8 million.

The growth in sales resulted primarily from same-location sales growth. Same-location sales increased 7% in the third quarter of 1999 and for the nine months ended September 30, 1999, compared with the same periods in 1998.

Gross profit increased for the first nine months of 1999 due to higher gross margins in many of BCOP's businesses, with particular strength in BCOP's domestic operations. BCOP's higher margins were primarily the result of lower procurement costs. The decrease in operating expenses in the third quarter resulted, in part, from lower operating costs in Canada as BCOP resolved the warehouse integration issues in its new distribution center. Excluding nonroutine items, the year-to-date increase in operating expenses resulted, in part, from increased investment in growth initiatives and a modest employee-wide bonus program implemented during the last half of 1998. The improvement in operations from the restructuring shown in the previous table was primarily due to the elimination of losses from the disposed of German joint venture.

Building Products

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
	(expressed in millions)			
Sales	$ 594.2	$ 494.4	$1,580.3	$1,312.3
Segment income	$ 60.2	$ 84.2	$ 198.7	$ 30.5
Segment income before nonroutine items	$ 60.2	$ 37.7	$ 163.2	$ 45.9

Late in the second quarter of 1998, we adopted a plan to restructure our wood products manufacturing business by permanently closing four facilities, including sawmills in Elgin, Oregon; Horseshoe Bend, Idaho; and Fisher, Louisiana; and a plywood plant in Yakima, Washington. Year-to-date 1998 results were negatively impacted by $61.9 million for this restructuring charge. We closed the sawmills in Horseshoe Bend and Fisher in 1998. In late May 1999, we decided to indefinitely continue operations at the Elgin and Yakima mills. This decision was based on recent changes in wood supply and costs, product prices, improved plant operations, and the impact of a fire at our Elgin plywood plant in May 1999. As a result of this decision, in the second quarter of 1999, our building products segment reversed previously recorded restructuring charges totaling $35.5 million.

On September 6, 1998, our Medford, Oregon, plywood plant and lumber storage area were severely damaged by fire. In the third quarter of 1998, the building products segment recorded a gain of $46.5 million related to an insurance settlement for this fire.

Excluding these nonroutine items, the increase in results for the three and nine months ended September 30, 1999, is due to improved sales prices, very strong structural panel markets, increases in engineered wood products sales, significant sales growth in building materials distribution, an improved product mix through a reduction in commodity lumber volume, and stable log costs. The increase in operating income for the year was also due to lower wood and conversion costs and our restructuring activities. (See table in this section showing the estimated increase in 1999 operating income compared with the same periods in 1998 as a result of our restructurings and other cost saving initiatives.) The increase in distribution sales was due to higher prices, expansion, and increased market share. The tables below present our sales volumes and prices for selected products.

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Sales Volumes				
Plywood (1,000 sq. ft. 3/8" basis)	358,092	480,900	1,137,649	1,427,508
OSB (1,000 sq. ft. 3/8" basis)(a)	96,880	88,409	284,327	253,691
Lumber (1,000 board ft.)	138,398	142,693	395,849	440,834

LVL (100 cubic ft.)	16,086	11,520	43,068	28,783
I-joists (1000 equivalent lineal ft.)	37,885	32,541	104,628	81,331
Particleboard (1,000 sq. ft. 3/4" basis)	46,367	47,523	142,819	146,226
Building materials distribution (millions of sales dollars)	$ 344	$ 263	$ 874	$ 659

(a) Includes 100% of the sales of Voyageur Panel, of which we own 47%.

Average Net Selling Prices				
Plywood (per 1,000 sq. ft. 3/8" basis)	$ 310	$ 260	$ 288	$ 239
OSB (per 1,000 sq. ft. 3/8" basis)	239	214	205	164
Lumber (per 1,000 board ft.)	538	469	521	475
LVL (per 100 cubic ft.)	1,596	1,600	1,594	1,596
I-joists (per 1,000 equivalent lineal ft.)	1,015	1,001	1,006	995

On September 16, 1999, we completed the acquisition of Furman Lumber, Inc., a privately held building supplies distributor headquartered in Billerica, Massachusetts. The 12 Furman locations, which are located in the eastern, Midwestern, and southern states, will bring us closer to our goal of achieving national coverage in the building distribution business. Had this acquisition occurred on January 1, 1999, the building products segment pro forma sales for the nine months ended September 30, 1999, would have increased approximately $500.0 million. Had the acquisition occurred on January 1, 1998, pro forma sales for the nine months ended September 30, 1998, would have increased $430.0 million. This unaudited pro forma financial information does not necessarily represent the actual results of operations that would have occurred if the acquisitions had taken place on the dates assumed. The purchase price was approximately $92.7 million, including cash payments of $90.2 million and assumption of debt.

In May 1999, a fire damaged our Elgin plywood plant. The plant is being rebuilt and is expected to be operating by the end of the year. After paying a $1.5 million deductible which was recorded in corporate and other, the loss is fully insured, including coverage for business interruption losses. This fire and a fire at our Medford plywood plant in September 1998 caused the decrease between periods in plywood sales volume. However, because of the business interruption insurance, there has not been a corresponding decrease in operating income. The Medford plant is being rebuilt and began limited production in September 1999.

Paper and Paper Products

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
	(expressed in millions)			
Sales	$ 449.3	$ 435.6	$1,269.7	$1,349.3
Segment income	$ 35.3	$ 8.2	$ 57.8	$ 27.2
Segment income before nonroutine items	$ 35.3	$ 8.2	$ 56.6	$ 46.2

In second quarter 1999, our paper and paper products segment also adjusted reserves recorded in fourth quarter 1998 for the elimination of job positions and the closure of our research and development facility in Portland, Oregon, to reflect our actual experience. These adjustments increased this segment's year-to-date income $1.2 million. Results for the nine months ended September 30, 1998, were negatively impacted by a $19.0 million charge for the revaluation of paper-related assets.

Excluding the nonroutine items, performance improved in the third quarter due to a 3% increase in unit sales volume and reduced unit costs. Prices, on average, were about flat quarter to quarter. For the year, lower paper prices were offset by slightly increased sales volume and reduced unit costs. Paper segment manufacturing costs per ton in the third quarter of 1999 were 5% lower than in the comparison quarter and 5% lower than in the prior year. These decreases were due to lower fiber costs and our cost reduction efforts. (See table in this section showing the estimated increase in 1999 operating income compared with the same periods in 1998 as a result of our restructurings and other cost saving initiatives.)

The tables below present our sales volumes and prices for our paper grades.

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Sales Volumes (1,000s of short tons)				
Uncoated free sheet	362	354	1,061	1,058
Containerboard	164	154	481	469
Newsprint	110	110	314	319
Market pulp	36	32	111	107
Total	672	650	1,967	1,953
Average Net Selling Prices Per Short Ton				
Uncoated free sheet	$ 709	$ 695	$ 681	$ 722
Containerboard	354	316	322	327
Newsprint	383	485	415	492
Market pulp	372	375	350	368

FINANCIAL CONDITION AND LIQUIDITY

Operating Activities. Cash provided by operations was $334.8 million for the first nine months of 1999, compared with $331.7 million for the same period in 1998. Improved operating results provided $383.1 million of cash flows from net income items in 1999, offset by $48.3 million of unfavorable changes in working capital items, primarily receivables. In 1998, net income items provided $245.2 million of positive cash flows, and changes in working capital items provided another $86.5 million of positive cash flows. In September 1998, we sold fractional ownership interests in a defined pool of trade accounts receivable. At September 30, 1999, $100 million of the sold accounts receivable were excluded from receivables in the balance sheet. This is an increase of $21.0 million from the December 31, 1998, balance of $79.0 million. This increase represents an increase in cash provided by operations. Our working capital ratio was 1.28:1 at September 30, 1999, compared with 1.27:1 at September 30, 1998. Our working capital ratio was 1.21:1 at December 31, 1998.

Investing Activities. Cash used for investment was $278.5 million and $206.2 million for the first nine months of 1999 and 1998. Cash expenditures for property and equipment and timber and timberlands totaled $163.9 million and $182.8 million for the first nine months of 1999 and 1998. This reduction reflects our focus on reducing our overall level of non-acquisition capital spending. Cash purchases of assets totaled $97.8 million for the first nine months of 1999, of which $90.2 million was for the purchase of Furman Lumber, Inc. Cash purchases of assets totaled $4.0 million for the first nine months of 1998.

Financing Activities. Cash used for financing was $60.6 million and $116.4 million for the first nine months of 1999 and 1998. Dividend payments totaled $34.2 million and $38.2 million for the first nine months of 1999 and 1998. The decrease is due to the redemption of our Series F preferred stock in February 1998. In both years, our quarterly dividend was 15 cents per common share. For the first nine months of 1999, short-term borrowings, primarily notes payable and commercial paper, provided cash of $22.7 million compared with $72.7 million for the first nine months of 1998. The higher short-term borrowings in the first nine months of 1998 were used to fund the redemption of the Series F preferred stock for $115 million in cash. Net payments of long-term debt used $62.4 million in the first nine months of 1999 compared with $32.6 million for the same period in 1998. In February 1999, we redeemed our $100.0 million, 9.875% notes.

At September 30, 1999 and 1998, we had $2.0 billion and $2.1 billion of debt outstanding. At December 31, 1998, we had $2.0 billion of debt outstanding. Our debt-to-equity ratio was 1.29:1 and 1.43:1 at September 30, 1999 and 1998. Our debt-to-equity ratio was 1.41:1 at December 31, 1998.

Our debt and debt-to-equity ratio include the guarantee by the company of the remaining $149.5 million of debt incurred by the trustee of our leveraged Employee Stock Ownership Plan. While that guarantee has a negative impact on our debt-to-equity ratio, it has virtually no effect on our cash coverage ratios or on other measures of our financial strength.

We have a revolving credit agreement with a group of banks that permits us to borrow as much as $600.0 million based on customary indices. As of September 30, 1999, borrowings under the agreement totaled $195.0 million. When the agreement expires in June 2002, any amount outstanding will be due and payable. In October 1998, we entered into an interest rate swap with a notional amount of $75.0 million that expires in 2000. This swap results in an effective fixed interest rate with respect to $75.0 million of our revolving credit agreement borrowings. The payment of dividends is dependent on the existence of and the amount of net worth in excess of the defined minimum under the agreement. As of September 30, 1999, we were in compliance with our debt covenants, and our net worth exceeded the defined minimum by $176.7 million.

BCOP has a $450.0 million revolving credit agreement with a group of banks that expires in June 2001 and provides variable interest rates based on customary indices. In October 1998, BCOP entered into an interest rate swap with a notional amount of $25.0 million that expires in 2000. This swap results in an effective fixed interest rate with respect to $25.0 million of BCOP's revolving credit agreement borrowings. As of September 30, 1999, BCOP had outstanding borrowings of $155.0 million under this agreement and was in compliance with its debt covenants.

At September 30, 1999, we had $430.0 million and BCOP had $150.0 million of unused borrowing capacity registered with the Securities and Exchange Commission.

In March 1999, we filed a registration statement covering $300.0 million in universal shelf capacity with the Securities and Exchange Commission. We have not yet requested final approval of this registration statement from the Securities and Exchange Commission. Once approved, this registration statement allows us to issue debt and/or equity securities in one or more offerings.

At September 30, 1999, we had $82.1 million of short-term borrowings outstanding, and BCOP had $70.1 million of short-term borrowings outstanding. At September 30, 1998, we had $93.5 million of short-term borrowings outstanding, while BCOP had $74.0 million of short-term borrowings outstanding. At December 31, 1998, we had $57.4 million of short-term borrowings outstanding, while BCOP had $72.1 million of short-term borrowings outstanding.

During early October 1999, we completed the sale of 56,000 acres of timberland in Central Washington to U.S. Timberlands Yakima L.L.C., an affiliate of U.S. Timberlands Company L.P. The pretax gain on the sale was $47.0 million and will be recorded in fourth quarter 1999. The net cash proceeds after transaction costs and adjustments for timber harvested were $50.2 million.

We expect the restructuring programs announced in 1998 to be cash flow positive in 1999. We estimate that the programs will require cash outlays before any savings of approximately $12.0 million in 1999. These expected cash payments in 1999 include $10.0 million for employee-related costs and $2.0 million for lease and other contract terminations. We spent approximately $10.0 million in the first nine months of 1999, including $8.0 million for employee-related costs and $2.0 million for lease and other contract terminations. Cash requirements related to our restructuring in 2000 and beyond are expected to total $4.0 million with most of that occurring in 2000 or early 2001. This and our other cash requirements will be funded through a combination of cash flows from operations, borrowings under our existing credit facilities, and issuance of new debt or equity securities.

Our results of operations are not materially effected by seasonal sales variances or inflation.

OUTLOOK

Our paper and office products distribution segments should continue to strengthen over the remainder of the year. Our building products segment should also perform well but at a lower level than in the third quarter due to seasonal falloff in product prices.

NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. We plan to adopt this statement in the first quarter of 2001. We are in the process of reviewing this new standard. Adoption of this statement is not expected to have a significant impact on our results of operations or financial position.

TIMBER SUPPLY

In recent years, the amount of timber available for commercial harvest in the United States has declined due to environmental litigation, changes in government policy, and other factors. More constraints on available timber supply may be imposed. As a result, we cannot accurately predict future log supply. In 1998, we closed sawmills in Fisher, Louisiana, and Horseshoe Bend, Idaho, partly because of reductions in timber supply and consequent increases in timber costs. Additional curtailments or closures of our wood products manufacturing facilities are possible. We are currently able to meet our timber requirements through a combination of public and private sources and our more than two million acres of owned or controlled timberland.

YEAR 2000 COMPUTER ISSUE

Over the last two years, we have been replacing many of our business computer systems to realize cost savings and process improvements. These replacements, all of which are year 2000-compliant, will be completed before the year 2000. Many of the costs associated with these replacements have been and will be deferred and amortized over approximately five years. (See Note 6 in the Notes to Financial Statements.) A year 2000-compliance assessment was completed in 1998. Many of the existing systems were found to be compliant. We have implemented appropriate modifications of the noncompliant systems. We expect to complete all necessary changes before year-end 1999.

We have surveyed our critical suppliers and customers to determine whether critical processes may be impacted by a lack of year 2000 compliance. Our critical suppliers and customers have confirmed that they are or have plans to be compliant by year-end 1999.

Incremental costs to make our systems compliant are expected to be about $10.0 million. These costs are being expensed as incurred. Approximately $8.4 million had been spent through September 30, 1999.

The most reasonably likely worst-case scenario of failure by us or our suppliers or customers to be year 2000-compliant would be a temporary slowdown of manufacturing operations at one or more of our locations and a temporary inability to process orders and billings in a timely manner and to deliver products to our customers in a timely manner. We have developed or are developing contingency options in the event that critical systems or suppliers encounter unforeseen year 2000 problems. These contingency plans include alternative processes using a combination of computerized and manual systems.

Our discussion of the year 2000 computer issue contains forward-looking information. We believe that our critical computer systems will be year 2000-compliant and that the costs to achieve compliance will not materially affect our financial condition, operating results, or cash flows. Nevertheless, factors that could cause actual results to differ from our expectations include the successful implementation of year 2000 initiatives by our customers and suppliers and our ability to successfully identify and correct all systems affected by the year 2000 issue.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis includes forward-looking statements. Because these forward-looking statements include risks and uncertainties, actual results may differ materially from those expressed in or implied by the statements. Factors that could cause actual results to differ include, among other things, changes in domestic or foreign competition; the severity and longevity of global economic disruptions; increases in capacity through construction of new manufacturing facilities or conversion of older facilities to produce competitive products; changes in production capacity across paper and wood products markets; variations in demand for our products; changes in our cost for or the availability of raw materials, particularly market pulp and wood; the cost of compliance with new environmental laws and regulations; the pace and the success of acquisitions; changes in same-location sales; cost structure improvements; the ability to implement operating strategies and integration plans and realize cost savings and efficiencies; fluctuations in foreign currency exchange rates; fluctuations in paper prices; the success and integration of new initiatives and acquisitions; the successful integration of systems; the success of computer-based system enhancements; and general economic conditions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Changes in interest rates and currency rates expose the company to financial market risk. Our debt is predominantly fixed-rate. We experience only modest changes in interest expense when market interest rates change. Most foreign currency transactions have been conducted in the local currencies, limiting our exposure to changes in currency rates. Consequently, our market risk-sensitive instruments do not subject us to material market risk exposure. Changes in our debt and our continued international expansion could increase these risks. To manage volatility relating to these exposures, we may enter into various derivative transactions such as interest rate swaps, rate hedge agreements, and forward exchange contracts. Interest rate swaps and rate hedge agreements are used to hedge underlying debt obligations or anticipated transactions. For qualifying hedges, the interest rate differential is reflected as an adjustment to interest expense over the life of the swap or underlying debt. Gains and losses related to qualifying hedges of foreign currency firm commitments and anticipated transactions are deferred and are recognized in income or as adjustments of carrying amounts when the hedged transaction occurs. All other forward exchange contracts are marked to market, and unrealized gains and losses are included in current period net income. We had no material changes in market risk since December 31, 1998. We had no material exposure to losses from derivative financial instruments held at September 30, 1999. We do not use derivative financial instruments for trading purposes.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In December 1998, the Maine Department of Environmental Protection issued Notices of Violation for air and water permit exceedances at the Rumford, Maine, pulp and paper mill for the period 1994 until the mill was sold in 1996. We have reached a settlement in principle with the Maine DEP, and we expect to finalize the agreement in the fourth quarter. Penalties were agreed upon at $115,950.

Reference is made to our annual report on Form 10-K/A for the year ended December 31, 1998, and to our quarterly report on Form 10-Q/A for the quarter ended June 30, 1999, for information concerning other legal proceedings.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

Required exhibits are listed in the Index to Exhibits and are incorporated by reference.

(b) Reports on Form 8-K.

We issued a news release on September 16, 1999, announcing the completion of the Furman Lumber, Inc. acquisition.

No other Form 8-Ks were filed during the third quarter of 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOISE CASCADE CORPORATION

As Duly Authorized Officer and Chief Accounting Officer:

/s/ Tom E. Carlile

Tom E. Carlile
Vice President and
Controller

Date: November 12, 1999

BOISE CASCADE CORPORATION
INDEX TO EXHIBITS
Filed With the Quarterly Report on Form 10-Q
for the Quarter Ended September 30, 1999

EXHIBIT 11

Boise Cascade Corporation
Computation of Per Share Earnings

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
	(expressed in thousands, except per share amounts)			
Net income (loss) as reported, before cumulative effect of accounting change	$ 49,048	$ 47,050	$ 124,253	$ (17,350)
Preferred dividends	(3,429)	(3,515)	(10,284)	(12,094)
Excess of Series F Preferred Stock redemption price over carrying value	-	-	-	(3,958)
Basic income (loss) before cumulative effect of accounting change	45,619	43,535	113,969	(33,402)
Cumulative effect of accounting change, net of tax	-	-	-	(8,590)
Basic income (loss)	$ 45,619	$ 43,535	$ 113,969	$ (41,992)
Basic income (loss) before cumulative effect of accounting change	$ 45,619	$ 43,535	$ 113,969	$ (33,402)
Preferred dividends eliminated	3,429	3,515	10,284	10,649
Supplemental ESOP contribution	(2,930)	(3,001)	(8,790)	(9,102)
Diluted income (loss) before cumulative effect of accounting change	46,118	44,049	115,463	(31,855)
Cumulative effect of accounting change	-	-	-	(8,590)
Diluted income (loss)	$ 46,118	$ 44,049	$ 115,463	$ (40,445)
Average shares outstanding used to determine basic income (loss) per common share	57,078	56,332	56,685	56,297
Stock options and other	499	134	430	227
Series D convertible preferred stock	4,090	4,383	4,178	4,420
Average shares used to determine diluted income (loss) per common share	61,667	60,849	61,293	60,944
Net income (loss) per common share				
Basic income (loss) before cumulative affect of accounting change	$ 0.80	$ 0.77	$ 2.01	$ (0.60)
Cumulative affect of accounting change	-	-	-	(0.15)
Basic income (loss) per common share	$ 0.80	$ 0.77	$ 2.01	$ (0.75)
Diluted income (loss) before cumulative effect of accounting change	$ 0.74	$ 0.72	$ 1.88	$ (0.52)(a)
Cumulative effect of accounting change	-	-	-	(0.14)(a)
Diluted income (loss)	$ 0.74	$ 0.72	$ 1.88	$ (0.66)(a)

(a) Because the computation of diluted loss per common share was antidilutive, the diluted loss per common share reported for the nine months ended September 30, 1998, was the same as basic loss per common share.

EXHIBIT 12.1

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

	Year Ended December 31					Nine Months Ended September 30	
	1994	1995	1996	1997	1998	1998	1999
	(dollar amounts expressed in thousands)						
Interest costs	$ 169,170	$ 154,469	$ 146,234	$ 153,691	$ 174,541	$ 132,989	$ 118,803
Interest capitalized during the period	1,630	3,549	17,778	10,575	1,341	537	212
Interest factor related to noncapitalized leases(a)	9,161	8,600	12,982	11,931	11,308	9,212	9,571
Total fixed charges	$ 179,961	$ 166,618	$ 176,994	$ 176,197	$ 187,190	$ 142,738	$ 128,586
Income (loss) before income taxes, minority interest, and cumulative effect of accounting change	$ (64,750)	$ 589,410	$ 31,340	$ (28,930)	$ (16,878)	$ 1,430	$ 225,123
Undistributed (earnings) losses of less than 50% owned persons, net of distributions received	(1,110)	(36,861)	(1,290)	5,180	3,791	3,718	(6,024)
Total fixed charges	179,961	166,618	176,994	176,197	187,190	142,738	128,586
Less: Interest capitalized	(1,630)	(3,549)	(17,778)	(10,575)	(1,341)	(537)	(212)
Guarantee of interest on ESOP debt	(20,717)	(19,339)	(17,874)	(16,341)	(14,671)	(11,059)	(9,707)
Total earnings before fixed charges	$ 91,754	$ 696,279	$ 171,392	$ 125,531	$ 158,091	$ 136,290	$ 337,766
Ratio of earnings to fixed charges	-	4.18	-	-	-	-	2.63
Excess of fixed charges over earnings before fixed charges	$ 88,207	$ -	$ 5,602	$ 50,666	$ 29,099	$ 6,448	$ -

(a) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

EXHIBIT 12.2

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Combined Fixed Charges
and Preferred Dividend Requirements

	Year Ended December 31					Nine Months Ended September 30	
	1994	1995	1996	1997	1998	1998	1999
	(dollar amounts expressed in thousands)						
Interest costs	$ 169,170	$ 154,469	$ 146,234	$ 153,691	$ 174,541	$ 132,989	$ 118,803
Interest capitalized during the period	1,630	3,549	17,778	10,575	1,341	537	212
Interest factor related to noncapitalized leases(a)	9,161	8,600	12,982	11,931	11,308	9,212	9,571
Preferred stock dividend requirements - pretax	81,876	59,850	65,207	44,686	19,940	19,931	16,940
Combined fixed charges and preferred dividend requirements	$ 261,837	$ 226,468	$ 242,201	$ 220,883	$ 207,130	$ 162,669	$ 145,526
Income (loss) before income taxes, minority interest, and cumulative effect of accounting change	$ (64,750)	$ 589,410	$ 31,340	$ (28,930)	$ (16,878)	$ 1,430	$ 225,123
Undistributed (earnings) losses of less than 50% owned persons, net of distributions received	(1,110)	(36,861)	(1,290)	5,180	3,791	3,718	(6,024)
Combined fixed charges and preferred dividend requirements	261,837	226,468	242,201	220,883	207,130	162,669	145,526
Less: Interest capitalized	(1,630)	(3,549)	(17,778)	(10,575)	(1,341)	(537)	(212)
Guarantee of interest on ESOP debt	(20,717)	(19,339)	(17,874)	(16,341)	(14,671)	(11,059)	(9,707)
Total earnings before combined fixed charges and preferred dividend requirements	$ 173,630	$ 756,129	$ 236,599	$ 170,217	$ 178,031	$ 156,221	$ 354,706
Ratio of earnings to combined fixed charges and preferred dividend requirements	-	3.34	-	-	-	-	2.44
Excess of combined fixed charges and preferred dividend requirements over earnings before combined fixed charges and preferred dividend requirements	$ 88,207	$ -	$ 5,602	$ 50,666	$ 29,099	$ 6,448	$ -

(a) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

The data schedule contains summary financial information extracted from Boise Cascade Corporation's Balance Sheet at September 30, 1999, and from its Statement of Income for the nine months ended September 30, 1999. The information presented is qualified in its entirety by reference to such financial statements.

9-MOS
DEC-31-1999
SEP-30-1999
67,891
2,226
698,027
11,722
652,825
1,541,676
5,172,465
2,344,495
5,144,494
1,204,370
1,720,622
0
226,462
142,842
1,169,830
5,144,494
5,078,398
5,078,398
4,143,353
4,753,712
0
0
107,598
225,123
(91,175)
124,253
0
0
0
124,253
2.01
1.88