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 March 31, 1998

( ) 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 April 30, 1998
Common stock, $2.50 par value	56,323,967

PART I - FINANCIAL INFORMATION

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

Item 1. Financial Statements

	Three Months Ended March 31	
	1998	1997
	(unaudited)	
Revenues		
Sales	$1,489,500	$1,273,610
Other income (expense), net	(320)	(270)
	1,489,180	1,273,340
Costs and expenses		
Materials, labor, and other operating expenses	1,172,920	1,047,430
Depreciation, amortization, and cost of company timber harvested	71,460	60,460
Selling and distribution expenses	161,700	128,600
General and administrative expenses	36,590	31,490
	1,442,670	1,267,980
Equity in net income (loss) of affiliates	(3,540)	30

Income from operations	42,970	5,390
Interest expense	(40,100)	(27,700)
Interest income	600	2,090
Foreign exchange loss	(50)	(10)
	(39,550)	(25,620)
Income (loss) before income taxes and minority interest	3,420	(20,230)
Income tax (provision) benefit	(1,450)	7,890
Income (loss) before minority interest	1,970	(12,340)
Minority interest, net of income tax	(3,130)	(2,870)
Net loss	$ (1,160)	$ (15,210)
Net loss per common share		
Basic	$ (.18)	$ (.51)
Diluted	$ (.18)	$ (.51)
Dividends declared per common share	$ .15	$ .15

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

SEGMENT INFORMATION
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(expressed in thousands)

	Three Months Ended March 31	
	1998	1997
	(unaudited)	
Segment sales		
Office products	$ 759,808	$ 597,871
Building products	368,678	377,382
Paper and paper products	458,294	370,554
Intersegment eliminations and other	(97,280)	(72,197)
	$1,489,500	$1,273,610
Segment operating income (loss)		
Office products	$ 37,592	$ 28,515
Building products	768	10,392
Paper and paper products	20,989	(22,667)
Equity in net income (loss) of affiliates	(3,540)	30
Corporate and other	(12,839)	(10,880)
Income from operations	$ 42,970	$ 5,390

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

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

ASSETS

	March 31 1998	March 31 1997	December 31 1997
	(unaudited)		
Current			
Cash	$ 86,002	$ 70,913	$ 56,429
Cash equivalents	8,840	99,112	7,157
	94,842	170,025	63,586
Receivables, less allowances of $8,874, $5,105, and $9,689	630,448	505,515	570,424
Inventories	614,772	512,854	633,290
Deferred income tax benefits	59,459	57,402	54,312
Other	27,223	26,676	32,061
	1,426,744	1,272,472	1,353,673
Property			
Property and equipment			
Land and land improvements	55,445	40,174	57,260
Buildings and improvements	559,732	470,570	554,712
Machinery and equipment	4,145,749	3,917,249	4,055,065
	4,760,926	4,427,993	4,667,037
Accumulated depreciation	(2,130,519)	(1,849,420)	(2,037,352)
	2,630,407	2,578,573	2,629,685
Timber, timberlands, and timber deposits	276,670	293,678	273,001
	2,907,077	2,872,251	2,902,686
Goodwill, net of amortization of $27,629, $15,365, and $24,020	446,646	265,310	445,722
Investments in equity affiliates	30,520	35,479	32,848
Other assets	238,826	230,686	234,995
Total assets	$5,049,813	$4,676,198	$4,969,924

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

	March 31		December 31
	1998	1997	1997
	(unaudited)		
Current			
Notes payable	$ 211,900	$ 25,600	$ 94,800
Current portion of long-term debt	52,839	156,886	30,176
Income taxes payable	-	5,261	3,692
Accounts payable	495,831	421,064	470,445
Accrued liabilities			
Compensation and benefits	121,001	118,240	126,780
Interest payable	35,526	26,880	39,141
Other	159,995	157,345	128,714
	1,077,092	911,276	893,748
Debt			
Long-term debt, less current portion	1,742,492	1,359,753	1,725,865
Guarantee of ESOP debt	176,823	196,116	176,823
	1,919,315	1,555,869	1,902,688
Other			
Deferred income taxes	234,557	239,665	230,840
Other long-term liabilities	223,971	242,601	224,663
	458,528	482,266	455,503
Minority interest	109,462	85,862	105,445
Shareholders' equity			
Preferred stock -- no par value; 10,000,000 shares authorized; Series D ESOP: $.01 stated value; 5,521,442; 5,976,459; and 5,569,684 shares outstanding	248,465	256,296	250,636
Deferred ESOP benefit	(176,823)	(196,116)	(176,823)
Series F: $.01 stated value; 115,000 shares outstanding in 1997	-	111,043	111,043
Series G: $.01 stated value; 862,500 shares outstanding in 1997	-	176,404	-
Common stock -- $2.50 par value; 200,000,000 shares authorized; 56,277,831; 48,531,267; and 56,223,923 shares outstanding	140,695	121,328	140,560
Additional paid-in capital	418,316	233,846	416,691
Retained earnings	861,658	940,941	879,043
Accumulated other comprehensive income (loss)	(6,895)	(2,817)	(8,610)
Total shareholders' equity	1,485,416	1,640,925	1,612,540
Total liabilities and shareholders' equity	$5,049,813	$4,676,198	$4,969,924

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

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

	Three Months Ended March 31	
	1998	1997
	(unaudited)	
Cash provided by (used for) operations		
Net loss	$ (1,160)	$(15,210)
Items in net loss not using (providing) cash		
Equity in net (income) loss of affiliates	3,540	(30)
Depreciation, amortization, and cost of company timber harvested	71,460	60,460
Deferred income tax benefit	(2,261)	(9,742)
Minority interest, net of income tax	3,130	2,870
Other	(1,159)	991
Receivables	(58,485)	(26,644)
Inventories	19,707	29,899
Accounts payable and accrued liabilities	35,463	(15,002)
Current and deferred income taxes	(955)	1,172
Other	12,576	487
Cash provided by operations	81,856	29,251
Cash used for investment		
Expenditures for property and equipment	(62,548)	(80,294)
Expenditures for timber and timberlands	(2,751)	(1,797)
Investments in equity affiliates, net	-	(16,014)
Purchases of facilities	(4,042)	(7,748)
Other	(10,884)	(11,168)
Cash used for investment	(80,225)	(117,021)
Cash provided by (used for) financing		
Cash dividends paid		
Common stock	(8,433)	(7,271)
Preferred stock	(3,722)	(6,161)
	(12,155)	(13,432)
Notes payable	117,100	(11,100)
Additions to long-term debt	90,000	30,000
Payments of long-term debt	(50,246)	(676)
Series F Preferred Stock redemption	(115,001)	-
Other	(73)	(7,848)
Cash provided by (used for) financing	29,625	(3,056)
Increase (decrease) in cash and cash equivalents	31,256	(90,826)
Balance at beginning of the year	63,586	260,851
Balance at March 31	$ 94,842	$170,025

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 1997 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 loss for the three months ended March 31, 1998 and 1997, 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) NET LOSS PER COMMON SHARE. Net loss per common share was determined by dividing net loss, as adjusted, by applicable shares outstanding. For the three months ended March 31, 1998 and 1997, the computation of diluted net loss per share was antidilutive; therefore, amounts reported for basic and diluted loss were the same.

	Three Months Ended March 31	
	1998	1997
	(expressed in thousands)	
Net loss as reported	$ (1,160)	$(15,210)
Preferred dividends(1)	(5,061)	(9,713)
Excess of Series F Preferred Stock redemption price over carrying value(2)	(3,958)	-
Basic and diluted loss	$(10,179)	$(24,923)
Average shares outstanding used to determine basic and diluted loss per common share	56,242	48,512

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

(2) First quarter loss per share included a negative seven cents related to the redemption of the Series F Preferred Stock. The loss for the quarter 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.

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

	Three Months Ended March 31	
	1998	1997
	(expressed in thousands)	
Net loss	$ (1,160)	$(15,210)
Other comprehensive income (loss)		
Cumulative foreign currency translation adjustment, net of income taxes	1,715	(1,471)
Comprehensive income (loss), net of income taxes	$ 555	$(16,681)

Accumulated other comprehensive income (loss) for each period ended was as follows:

March 31		December 31
1998	1997	1997
(expressed in thousands)		

Balances at beginning of period			
Minimum pension liability adjustment, net of income taxes	$(1,995)	$(2,866)	$(2,866)
Cumulative foreign currency translation adjustment, net of income taxes	(6,615)	1,520	1,520
Changes within periods			
Minimum pension liability adjustment, net of income taxes	-	-	871
Cumulative foreign currency translation adjustment, net of income taxes	1,715	(1,471)	(8,135)
Balance at end of period	$(6,895)	$(2,817)	$(8,610)

(4) INVENTORIES. Inventories include the following:

	March 31		December 31
	1998	1997	1997
	(expressed in thousands)		
Finished goods and work in process	$474,285	$391,133	$453,268
Logs	66,062	61,567	107,625
Other raw materials and supplies	152,198	141,229	149,870
LIFO reserve	(77,773)	(81,075)	(77,473)
	$614,772	$512,854	$633,290

(5) DEFERRED SOFTWARE COSTS. We defer purchased and internally developed software and related installation costs for computer systems that are used in our businesses. Deferral of costs begins when technological feasibility of the project has been established and it is determined that the software will benefit future years. These costs are amortized on the straight-line method over a maximum of five years or the useful life of the product, whichever is less. If the useful life of the product is shortened, the amortization period is adjusted. "Other assets" in the Balance Sheets includes deferred software costs of $33.0 million, $18.3 million, and $31.1 million at March 31, 1998 and 1997 and December 31, 1997.

(6) INCOME TAXES. The estimated tax provision rate for the first three months of 1998 was 42%, compared with 39% used for the first three months of 1997. The actual annual 1997 tax benefit rate was 32%.

For the three months ended March 31, 1998 and 1997, we paid income taxes, net of refunds received, of $2.4 million and $1.1 million.

(7) DEBT. At March 31, 1998, we had a revolving credit agreement with a group of banks that permitted us to borrow as much as $600 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 March 31, 1998, exceeded the defined minimum by $191 million. At March 31, 1998, there were $185 million of borrowings outstanding under this agreement.

Our majority-owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), has a $450 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 $290 million at March 31, 1998.

Also at March 31, 1998, we had $138.1 million of short-term borrowings outstanding and BCOP had $73.8 million of short-term borrowings outstanding. At March 31, 1997, we had no short-term borrowings outstanding, while BCOP had $25.6 million of short-term borrowings outstanding. The maximum amount of short-term borrowings outstanding during the three months ended March 31, 1998 and 1997, were $275.3 million and $59.3 million. The average amount of short-term borrowings outstanding during the three months ended March 31, 1998 and 1997, were $198.9 million and $33.2 million. The average interest rate for these borrowings was 5.9% for 1998 and 5.6% for 1997.

We filed a registration statement with the Securities and Exchange Commission for an additional $400 million of shelf capacity for debt securities. The effective date of our filing was March 25, 1998. Our total shelf capacity was $489.4 million at March 31, 1998.

BCOP filed a registration statement with the Securities and Exchange Commission to register $300 million of shelf capacity for debt securities. The effective date of the filing was April 22, 1998. On May 12, 1998, BCOP issued $150.0 million of 7.05% Notes under this registration statement. The Notes are due May 15, 2005. Proceeds from the issuance will be used to repay borrowings under BCOP's revolving credit agreement. BCOP has $150.0 million of shelf capacity remaining under this registration statement. In December 1997, BCOP entered into agreements to hedge against a rise in Treasury rates. BCOP entered into the transactions in anticipation of their issuance of these debt securities. The hedge agreements had a notional amount of $70 million. The settlement rate, based on the yield on 10-year U.S. Treasury bonds, was less than the agreed upon initial rate and BCOP made a cash payment of $0.6 million. The amount paid will be recognized as an increase in interest expense over the life of the debt securities issued.

Cash payments for interest, net of interest capitalized, were $43.7 million and $32.4 million for the three months ended March 31, 1998 and 1997.

(8) BOISE CASCADE OFFICE PRODUCTS CORPORATION. During the first three months of 1998, BCOP completed two acquisitions, and during the first three months of 1997, BCOP completed three 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. 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 businesses are included in our operations subsequent to the dates of acquisition.

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 Madrid, 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.

On January 31 and February 28, 1997, BCOP acquired contract stationer businesses in Montana and Florida. Also in January 1997, BCOP completed a joint venture with Otto Versand to direct market office products in Europe. These transactions, including the joint venture, were completed for cash of $14.9 million, $2.9 million of BCOP's common stock, and the recording of $1.0 million of acquisition liabilities.

Unaudited pro forma results of operations reflecting the acquisitions would have been as follows. If the 1998 acquisitions had occurred on January 1, 1998, sales for the first three months of 1998 would have increased by $0.8 million, and net loss and basic and diluted loss per share would have been unchanged. If the 1998 and 1997 acquisitions had occurred on January 1, 1997, sales for the first three months of 1997 would have increased by $8.0 million, net loss, and basic and diluted loss per share would have been unchanged. 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.

(9) SHAREHOLDERS' EQUITY. We have a shareholder rights plan which was adopted in December 1988, amended in September 1990, and renewed in September 1997. The Renewed Rights Agreement becomes operative upon the expiration of the existing Rights Agreement.

(10) NEW ACCOUNTING STANDARDS. In 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information," which establishes standards for the way public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. We will adopt the statement at year-end 1998. We are still evaluating what impact it will have on our reportable segments. Adoption of this statement will have no impact on net income.

In March 1998, the American Institute of Certified Public Accountants (AICPA), issued Statement of Position 98-1 (SOP 98-1), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This SOP is effective for financial statements for fiscal years beginning after December 15, 1998, with earlier application encouraged. We currently account for software costs generally in accordance with this SOP. In April 1998, the AICPA issued SOP 98-5, "Reporting on the Costs of

Start-Up Activities." This SOP provides guidance on the financial reporting of start-up costs and organization costs. It requires costs of start-up activities and organization costs to be expensed as incurred. This SOP is effective for financial statements for fiscal years beginning after December 15, 1998, with earlier application encouraged. Unamortized costs are required to be expensed at the time of adoption of the SOP. We are still evaluating when to implement this SOP. The unamortized balance of these costs was $12.9 million at March 31, 1998.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Three Months Ended March 31, 1998, Compared With Three Months Ended March 31, 1997

Our net loss for the first quarter of 1998 was $1.2 million, compared with a net loss of $15.2 million for the first quarter of 1997. Basic loss and diluted loss per common share for the first quarter of 1998 were 18 cents. The first quarter 1998 loss per share included a negative seven cents related to the redemption of our Series F Preferred Stock, effective February 17, 1998. For the same quarter in 1997, basic loss and diluted loss per common share were 51 cents. Sales for the first quarter of 1998 were $1.5 billion and $1.3 billion in the first quarter of 1997.

Operating income in the office products segment in the first quarter of 1998 was $37.6 million, compared to $28.5 million in the first quarter 1997. Net sales in the first quarter of 1998 increased 27% to $759.8 million, compared with $597.9 million in the first quarter of 1997. The growth in sales resulted from a combination of acquisitions and same-location sales growth. Same-location sales increased 13% in the first quarter of 1998, compared with sales in the first quarter of 1997. Gross margins were 25.7% in the first quarter of 1998, compared to 25.2% in the year-ago first quarter. The increase in the first quarter of 1998 was primarily due to increases in BCOP's U.S. contract stationer and direct marketing gross margins, offset slightly by lower margins in BCOP's other businesses. BCOP's operating expenses were 20.8% of net sales in the first quarter of 1998, compared with 20.5% in the first quarter of 1997. The increase in the first quarter of 1998 was due in part to BCOP's direct marketing business, which has both higher gross margins and higher operating expenses. Direct marketing acquisitions made in 1997 increased BCOP's cost average compared to the prior year. BCOP's operating margin was 4.9% in 1998 and 4.8% in 1997.

Building products operating income decreased to $0.8 million in the first quarter of 1998, compared to $10.4 million in the first quarter of 1997. Sales decreased 2% to $368.7 million compared to $377.4 million a year ago. Results declined as a result of lower average prices and sales volumes. Plywood prices decreased 6%, while sales volumes decreased 3 million square feet. Lumber prices decreased 7%, while sales volumes decreased 26 million board feet. I-joists prices decreased 3%, while sales volumes increased 2 million equivalent lineal feet. Laminated veneer lumber prices were about flat, while sales volumes increased 100,000 cubic feet. Particleboard prices were down slightly, while sales volumes decreased 2 million square feet. The unfavorable sales prices and volume variances were partially offset by lower costs. Building products distribution sales were up 8% to $168 million, compared to $156 million for the first three months of 1997.

Our paper and paper products segment reported operating income of $21.0 million in the first quarter of 1998, compared with an operating loss of $22.7 million in the first quarter of 1997. Sales increased 24% to $458.3 million in the first quarter of 1998 from $370.6 million in the first quarter of 1997. The increase in results was caused by higher average prices for all of our paper grades in the first quarter of 1998, compared with the first quarter of 1997. Uncoated free sheet prices increased 10%, containerboard prices increased 22%, newsprint prices increased 18%, and pulp prices increased 5%. Sales volumes for the first quarter of 1998 increased 18,000 tons to 652,000 tons, compared with 634,000 tons in the first quarter of 1997. Uncoated free sheet volumes increased 34,000 tons as our new world-class uncoated free sheet paper machine in Jackson, Alabama, is now operating at close to rated capacity. Containerboard sales volumes increased 14,000 tons. These increases were offset by a 6,000-ton sales volume reduction in newsprint and a 24,000-ton reduction in pulp sales volume reflecting our decreasing position in the market pulp business.

Paper segment manufacturing costs per ton in the first quarter of 1998 were 2% higher than in the comparison quarter. The increase from quarter to quarter was due primarily to higher wood costs and the replacement of market pulp with higher margin, higher cost uncoated free sheet paper from the new machine at the Jackson mill.

Interest expense was $40.1 million in the first quarter of 1998, compared with $27.7 million in the same period last year. Capitalized interest in the first quarter of 1998 was $68,000, compared to $6.4 million in the first quarter of 1997. With the start-up of the expansion of the Jackson pulp and paper mill in April 1997, the amount of interest capitalized has decreased significantly. The balance of the increase in interest expense was due to higher debt levels.

Total long- and short-term debt outstanding was $2.2 billion at March 31, 1998, compared with $1.7 billion at March 31, 1997. Total long- and short-term debt outstanding was $2.0 billion at December 31, 1997.

Financial Condition

At March 31, 1998, we had working capital of $349.7 million. Working capital was $361.2 million at March 31, 1997, and $459.9 million at December 31, 1997. Cash provided by operations was $81.9 million for the first three months of 1998, compared with $29.3 million for the same period in 1997.

At March 31, 1998, we had a revolving credit agreement with a group of banks that permitted us to borrow as much as $600 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 March 31, 1998, exceeded the defined minimum by $191 million. At March 31, 1998, there were $185 million of borrowings outstanding under this agreement.

Our majority-owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), has a $450 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 $290 million at March 31, 1998.

At March 31, 1998, we and BCOP met all of the financial covenants related to our debt.

Also at March 31, 1998, we had $138.1 million of short-term borrowings outstanding and BCOP had $73.8 million of short-term borrowings outstanding. At March 31, 1997, we had no short-term borrowings outstanding, while BCOP had $25.6 million of short-term borrowings outstanding. The maximum amount of short-term borrowings outstanding during the three months ended March 31, 1998 and 1997, were $275.3 million and $59.3 million. The average amount of short-term borrowings outstanding during the three months ended March 31, 1998 and 1997, were $198.9 million and $33.2 million. The average interest rate for these borrowings was 5.9% for 1998 and 5.6% for 1997.

We filed a registration statement with the Securities and Exchange Commission for an additional $400 million of shelf capacity for debt securities. The effective date of our filing was March 25, 1998. Our total shelf capacity was $489.4 million at March 31, 1998.

BCOP filed a registration statement with the Securities and Exchange Commission to register $300 million of shelf capacity for debt securities. The effective date of the filing was April 22, 1998. On May 12, 1998, BCOP issued $150.0 million of 7.05% Notes under this registration statement. The Notes are due May 15, 2005. Proceeds from the issuance will be used to repay borrowings under BCOP's revolving credit agreement. BCOP has $150.0 million of shelf capacity remaining under this registration statement. In December 1997, BCOP entered into agreements to hedge against a rise in Treasury rates. BCOP entered into the transactions in anticipation of their issuance of these debt securities. The hedge agreements had a notional amount of $70 million. The settlement rate, based on the yield on 10-year U.S. Treasury bonds, was less than the agreed upon initial rate and BCOP made a cash payment of $0.6 million. The amount paid will be recognized as an increase in interest expense over the life of the debt securities issued.

Capital expenditures for the first three months of 1998 and 1997 were $73.4 million and $109.7 million. Capital expenditures for the year ended December 31, 1997, were $578.6 million. The decrease in capital expenditures quarter to quarter is primarily due to the completion of the Jackson pulp and paper mill expansion in May 1997.

An expanded discussion and analysis of financial condition is presented on pages 18 and 19 of the Company's 1997 Annual Report under the captions "Financial Condition" and "Capital Investment."

Market Conditions

We expect BCOP sales to continue to grow at a healthy rate. Internal growth has been strong, and we continue to look for acquisitions that will strengthen our market position, both domestically and in Europe. Earnings should also continue to improve as infrastructure investments begin to pay off and our product line extensions accelerate their contributions to growth.

The outlook for our building products business this year continues to be mixed. On the one hand, North American lumber markets are currently hampered by excess supply due to weak net export demand, particularly in Japan. In structural panel markets, OSB capacity installed over the last few years has yet to be fully absorbed. On the other hand, with low interest rates and strong housing starts, demand for wood products in North America continues to grow. In that environment, our wood products operations should improve in the remaining quarters of this year. The overall cost of wood delivered to our converting facilities in the Northwest and South should be comparable to last year. We expect increasing benefits from the investments we have made in LVL/I-joist and OSB capacity.

The near-term outlook for paper markets and our paper business has been clouded by the recent financial crisis in Asia. The positive momentum that was built in the last half of 1997 was largely lost in the first quarter of this year. Given currency devaluations and local economic contractions, U.S. imports of Asian paper are likely to be higher than last year and exports to Asia may decline until Asian economies stabilize. Whether that stability is reestablished in a few months or over a much longer period remains to be seen. We expect to see difficult market conditions for our paper business at least through the summer of this year. However, we are quite positive about the fundamental condition of the paper markets over the mid to longer term. Very little new capacity is scheduled to come on line in North America over the next few years, virtually none in uncoated free sheet after this quarter and only modest amounts in other grades. In Europe, the capacity forecast is equally modest. And in Asia, the same financial disruption that will increase net imports in the near term has already caused delays and outright cancellations of announced new capacity.

New Accounting Standards

In 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information," which establishes standards for the way public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. We will adopt the statement at year-end 1998. We are still evaluating what impact it will have on our reportable segments. Adoption of this statement will have no impact on net income.

In March 1998, the American Institute of Certified Public Accountants (AICPA), issued Statement of Position 98-1 (SOP 98-1), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This SOP is effective for financial statements for fiscal years beginning after December 15, 1998, with earlier application encouraged. We currently account for software costs generally in accordance with this SOP. In April 1998, the AICPA issued SOP 98-5, "Reporting on the Costs of Start-Up Activities." This SOP provides guidance on the financial reporting of start-up costs and organization costs. It requires costs of start-up activities and organization costs to be expensed as incurred. This SOP is effective for financial statements for fiscal years beginning after December 15, 1998, with earlier application encouraged. Unamortized costs are required to be expensed at the time of adoption of the SOP. We are still evaluating when to implement this SOP. The unamortized balance of these costs was $12.9 million at March 31, 1998.

Year 2000 Computer Issue

Many computer systems in use today were designed and developed using two digits, rather than four, to specify the year. As a result, such systems will recognize the year 2000 as "00." This could cause many computer applications to fail completely or to create erroneous results unless corrective measures are taken. We utilize software and related computer technologies that will be affected by this issue. We are currently implementing, or planning to implement, several computer system replacements or upgrades before the year 2000, all of which will be year 2000 compliant. Many of the costs associated with these replacements and upgrades have been and will be deferred. (See Note 5 in "Notes to Quarterly Financial Statements.") We are evaluating what actions will be necessary to make our remaining computer systems year 2000 compliant. Maintenance and modification costs not meeting the criteria for deferral are expensed as incurred. While we believe that our computer systems will be year 2000 compliant and that the costs required to achieve this will not materially impact our financial position, results of operations or cash flows, there can be no guarantee that all systems will be compliant by the year 2000 or that the systems of other companies on which we rely will be converted within the same timeframe.

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, increased domestic or foreign competition, increases in capacity through construction of new mills or conversion of older facilities to produce competitive products, 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 of acquisitions, same-location sales, cost structure improvements, the success of new initiatives, 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 us 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 currency, 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 exposure to losses from derivative financial instruments held at March 31, 1998. We do not use derivative financial instruments for trading purposes.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to our annual report on Form 10-K for the year ended December 31, 1997, for information concerning legal proceedings.

Item 2. Changes in Securities

The payment of dividends is dependent upon the existence of and the amount of net worth in excess of the defined minimum under our revolving credit agreement. Our net worth at March 31, 1998, exceeded the defined minimum by $191 million. At March 31, 1998, there were $185 million of borrowings outstanding under the agreement.

Item 3. Defaults Upon Senior Securities

At March 31, 1998, there were no existing defaults.

Item 4. Submission of Matters to a Vote of Security Holders

We held our annual shareholders meeting on April 17, 1998. A total of 61,783,187 shares of common and preferred stock were outstanding and entitled to vote at the meeting. Of the total outstanding, 54,244,160 shares were represented at the meeting.

Shareholders cast votes for election of the following directors whose terms expire in 2001:

	In Favor	Withheld	Not Voted
Anne L. Armstrong	52,850,459	1,393,701	-
Philip J. Carroll	52,404,107	1,840,053	-
Gary G. Michael	53,277,064	967,096	-
A. William Reynolds	52,959,245	1,284,915	-

Continuing in office are Edward E. Hagenlocker, George J. Harad, Donald S. Macdonald, Jane E. Shaw, and Edson W. Spencer, whose terms expire in 2000, and Robert K. Jaedicke, Paul J. Phoenix, Frank A. Shrontz, and Ward W. Woods, Jr., whose terms expire in 1999.

The shareholders also ratified the appointment of Arthur Anderson LLP, as our independent auditor for the year 1998 with 53,689,699 votes cast for, 400,794 against, and 153,667 abstained.

Shareholders approved an amendment, adopted by the board of directors in December 1997, to our 1984 Key Executive Stock Option Plan (the "KESOP"). This amendment increased the number of shares available under the plan by 1,500,000 shares. The shareholder votes were 49,661,932 cast for, 3,886,548 against, and 695,680 abstained.

Item 5. Other Information

Not applicable.

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.

On February 23, 1998, we filed a Form 8-K to file our financial information as of December 31, 1997. This was included as an exhibit in our 1997 Form 10-K. No other Form 8-Ks were filed during the first quarter of 1998.

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: May 12, 1998

BOISE CASCADE CORPORATION
INDEX TO EXHIBITS
Filed With the Quarterly Report on Form 10-Q
for the Quarter Ended March 31, 1998

Number	Description	Page Number
11	Computation of Per Share Earnings	
12	Ratio of Earnings to Fixed Charges	
27	Financial Data Schedule	

Exhibit 11

Boise Cascade Corporation
Computation of Per Share Earnings

	Three Months Ended March 31	
	1998	1997
	(expressed in thousands, except per share amounts)	
Net loss as reported	$ (1,160)	$ (15,210)
Preferred dividends	(5,061)	(9,713)
Series F Preferred Stock redemption price over carrying value	(3,958)	-
Basic loss	(10,179)	(24,923)
Preferred dividends eliminated	3,620	7,010
Supplemental ESOP contribution	(3,094)	(3,079)
Diluted loss	$ (9,653)	$ (20,992)
Average shares outstanding used to determine basic loss per common share	56,242	48,512
Stock options, net	242	382
Series G conversion preferred stock	-	6,908
Series D convertible preferred stock	4,461	4,625
Average shares used to determine diluted loss per common share	60,945	60,427
Net loss per common share		
Basic	$(.18)	$(.51)
Diluted(1)	$(.16)	$(.35)

(1) Because the computation of diluted loss per common share was antidilutive, the diluted loss per common share reported for the three months ended March 31, 1998 and 1997, was the same as basic loss per common share.

EXHIBIT 12

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

	Year Ended December 31					Three Months Ended March 31	
	1993	1994	1995	1996	1997	1997	1998
	(dollar amounts expressed in thousands)						
Interest costs	$ 172,170	$ 169,170	$ 154,469	$ 146,234	$ 153,691	$ 31,830	$ 43,824
Interest capitalized during the period	2,036	1,630	3,549	17,778	10,575	6,362	68
Interest factor related to noncapitalized leases(1)	7,485	9,161	8,600	12,982	11,931	3,486	2,851
Total fixed charges	$ 181,691	$ 179,961	$ 166,618	$ 176,994	$ 176,197	$ 41,678	$ 46,743
Income (loss) before income taxes and minority interest	$(125,590)	$ (64,750)	$ 589,410	$ 31,340	$(28,930)	$(20,230)	$ 3,420
Undistributed (earnings) losses of less than 50% owned persons, net of distributions received	(922)	(1,110)	(36,861)	(1,290)	5,180	(30)	3,540
Total fixed charges	181,691	179,961	166,618	176,994	176,197	41,678	46,743
Less: Interest capitalized	(2,036)	(1,630)	(3,549)	(17,778)	(10,575)	(6,362)	(68)
Guarantee of interest on ESOP debt	(22,208)	(20,717)	(19,339)	(17,874)	(16,341)	(4,130)	(3,724)
Total earnings (losses) before fixed charges	$ 30,935	$ 91,754	$ 696,279	$ 171,392	$ 125,531	$ 10,926	$ 49,911
Ratio of earnings to fixed charges(2)	-	-	4.18	-	-	-	1.07

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

(2) Earnings before fixed charges were inadequate to cover total fixed charges by $150,756,000, $88,207,000, $5,602,000, and $50,666,000 for the years ended December 31, 1993, 1994, 1996, and 1997 and $30,752,000 for the three months ended March 31, 1997.

EXHIBIT 27
The data schedule contains summary financial information extracted from Boise Cascade Corporation's Balance Sheet at March 31, 1998, and from its Statement of Loss for the three months ended March 31, 1998. The information presented is qualified in its entirety by reference to such financial statements.

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3-Mos
Dec-31-1998
Mar-31-1998
86,002
8,840
630,448
8,874
614,772
1,426,744
5,037,596
2,130,519
5,049,813
1,077,092
1,919,315
140,695
0
248,465
1,096,256
5,049,813
1,489,500
1,489,180
1,244,380
1,442,670
0
0
40,100
3,420
1,450
(1,160)
0
0
0
(1,160)
(.18)
(.18)