

"The pulp markets have gone to pieces entirely. Many mills are running part of the time; others are contemplating shutting down. Prices a year ago at this time were over \$50 a ton at the mill. To-day it is difficult to obtain more than \$25. The price on all paper making materials will be changed and fixed by Government regulation. The situation is exactly the reverse of conditions a year ago.

"If publishers will carefully watch their consumption and operate as closely as possible, not making up the drop in advertising by increasing circulation matter, the situation will be wholesome for 1918 and the open market price will drop below 3c.

"The Paper Committee particularly urges publishers not to sign fixed price contracts for 1918 under any camouflage which may be attempted by manufacturers, as they are not in the interests of publishers under prospective market conditions. There are only two ways to buy paper for 1918—both good: the best is in the open market, without any contract at all, and the second best is under the terms of the Federal Trade Commission agreement.

"A big slump in the general paper market is ahead. Stocks on hand should now be used up, as they can be replaced later for very much less money."

On November 26, 1917, the agreement between certain of the manufacturers and the American Government whereby \$3 per cwt. was fixed as the selling price for newsprint for the first three months of 1918, to be followed by an investigation by the Federal Trade Commission, was entered into. On December 4, 1918, the A.N.P.A. Committee on Paper was still urging the publishers not to commit themselves to paying more than \$2.85 for their 1918 supply of paper. In Bulletin No. 3792, issued on that date, the Committee said:

"The Paper Committee very strongly advises all publishers against signing any contract at a price over \$2.85 at the mill for a year, except as provided for under the terms of this agreement. A contract at a three cent price for the year as an alternative and under contract conditions which are not equitable cannot be attractive. It must be considered that in addition to the Federal Trade Commission fixing the price, they fix the terms and conditions of the contract, which amounts to a saving of many dollars a ton, through over-weights and other bad features which, to make any contract equitable, must be corrected."

The Committee appeared to take it for granted that the Federal Trade Commission would accept and approve of the form of contract proposed by the Committee, another anticipation which was not fulfilled.

Further on in the same bulletin, the Committee, after inferring that the \$3.00 price was not agreeable to the Federal