

"There can be no possibility of a slip-up, since there is practically three months' supply on hand, and the prospect of which the prospective consumption for next year will be decreased by reduced advertising now in sight; by economies and further price advances.

"Other conditions have also developed which make it unwise for a publisher to proceed immediately in making any contracts, for the market situation will undoubtedly be altered materially within the next two weeks.

"The situation is most hopeful, and we believe a final and permanent adjustment of all the troubles which the Paper Committee has been trying to solve for almost two years is now in sight."

On Dec. 13, 1917, the Committee issued Bulletin No. 3797, which was more bearish than its predecessors. Market conditions were declared to be still more satisfactory from the publishers' point of view, and an indication was given that 1918 would see a newsprint surplus of about 500,000 tons, including the 250,000 to 300,000 ton surplus declared to be then on hand. Publishers were again urged, in large black type, **"Not to sign fixed paper contracts for 1918."** Here is the bulletin:

"Prospective paper markets give increasing evidence of becoming soft and showing a very satisfactory condition, from the publishers' point of view.

"Many of the marginal mills making specialties are now shut down entirely, or running on part time. Newsprint is the only grade of paper on which mills are running anywhere near production.

"There is now on hand, as reported previously, a surplus of paper of from 250,000 to 300,000 tons, and there will be a further surplus next year of about 200,000 tons, provided publishers carry on their business as economically as they should.

"This enormous surplus will operate to make a slump market for 1918. It must be remembered that the price to be fixed by the Federal Trade Commission is a **maximum** price and not a minimum price, and at the present time market conditions indicate that the open competitive market will be below any figure set by the Commission, and **publishers buying in the open market will be able to buy substantially below any price at which they can now buy or which will probably be fixed,** because of this enormous surplus and the substantial change in market conditions.

"The Committee wishes further to issue a strenuous warning that publishers do not loosen up on their schedule, or increase their sizes, thereby nullifying the benefits for which we have been striving for so many months.

"Advertising has taken a fearful drop in some localities, and there is a prospect of a further slump. This, with publishers running on a close schedule, will keep the paper situation where it ought to be and maintain a satisfactory and competitive market.