

"This is very different talk than what we have heard, of paper being nearer 4c. than 3c. If every possible economy is maintained from now to the end of the year, we should obtain 3c. or better for 1918, in spite of rising cost of materials, which is used as an argument why price cannot be as low as this year. The fact is, that prices this year have had no relation to the cost of manufacture, and the increasing cost of same will therefore not necessarily increase the selling price, which is still very far above any new or prospective costs."

On Nov. 3, 1917, Bulletin No. 3768 was issued by the Committee. The opening paragraph was devoted to "Contracts," and this is what it said:

"In last week's Bulletin, we recommended to all publishers to only make contracts for next year under certain conditions.

"We wish to reaffirm this decision and to particularly ask the publishers to again read the recommendations of the Paper Committee on page 842 in Bulletin No. 3762.

"Manufacturers, when informed of the recommendations of the Committee last week, have attempted to convince many publishers that this advice was unwise, claiming that publishers with stocks on hand must therefore have the whip hand. This is partially true, even under present conditions. You will notice, however, that the recommendations of the Committee were not to absorb stocks on hand entirely, but to deduct from the quantity of next year's contract (when a contract is made) the quantity in storage on December 31st. This storage will only be gradually used during the year, and it would not be until December, 1918, that it would be entirely exhausted. In this way, the manufacturers' argument falls down, as a publisher during the life of his contract, by operating in this way, would always have surplus paper on hand.

"The committee further advised that if publishers are unable to obtain a satisfactory contract, to **depend on the open market**. They can then keep two or three months' supply ahead, so that during difficult market conditions they may be able to keep out of the market for a month or two in the case of a 'peak' price.

"We find on checking over the figures quoted of paper in storage, and which we estimated last year at 200,000 tons, that this is now certain to be about 300,000 tons, or practically between two and three months' supply. This probably will not be decreased during the year on account of increased production, increased importation and decreased consumption over a similar period last year, although an increased consumption over the summer months just passed."

Bulletin No. 3769, issued Nov. 7, 1917, again declared against contracts and in favor of open market purchases, and said that, instead of a paper famine coming, there would be newsprint in superabundance. To quote verbatim:

"Our two previous Bulletins have advised publishers to go slow on next year's contract, unless terms and conditions are satisfactory.