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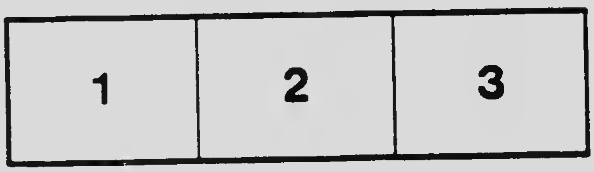
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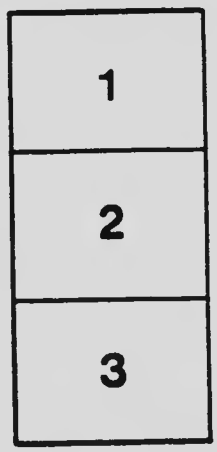
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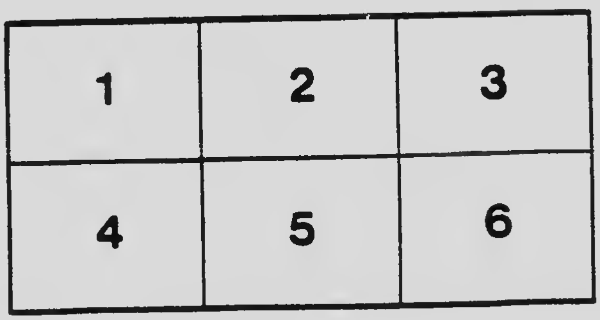
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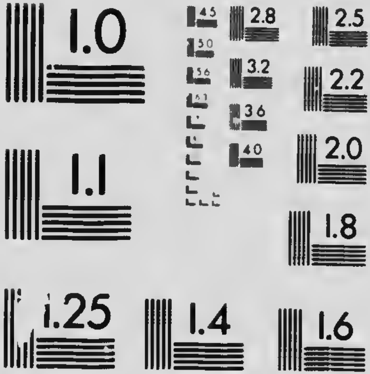

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THE CANADIAN PULP & PAPER ASSOCIATION

Bulletin Number Twelve—Issued December 15th, 1918.

THE A. N. P. A. PAPER COMMITTEE AS A PRICE PROPHET

CANADIAN and American newspaper publishers who happen to be members of the American Newspaper Publishers' Association and who are looking for some lightsome literature of a retrospective character, appropriate to the season, cannot do better than turn up the files of their "B" Special Bulletins, issued by the A. N. P. A. Committee on Paper and compare the advice given therein with what has been their actual experience throughout the year now drawing to a close.

The Committee on Paper, relying probably upon the advice of some self-acknowledged superpaperman, in the Fall of 1917 became inspired with the idea that newsprint paper was going to be cheap and plentiful throughout the year 1918. They advised their members on no account to make contracts for the coming year's supply on a basis higher than $2.85 or $3 per 100 pounds, and suggested that the better way would be to defer making any contracts at all and to buy all requirements in the open market. It is not at all likely that the advice was universally accepted, all newspaper publishers not being short-sighted business men, but such as did follow the advice of the Committee may be excused for feeling that they have a grievance.

On August 11, 1917, the Committee gave its first intimation that paper prices were on the down grade. In Bulletin No. 3720, issued on that date, under the caption, "Next Year's Prices," the Committee stated:

"It is reported the sales manager of the Canadian Export Paper Co. claims that next year's prices will be 3c. f.o.b. mill. They are renewing most of their contracts for the balance of this year at that price and claim this price will be maintained for next year.

"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.

"It might be observed that this is a safe course for publishers to pursue for the further reason that paper manufacturers cannot now turn their machines off newsprint as they have threatened to do. The markets for other grades of paper are decidedly soft, and many of these mills are running only 60% capacity. It is true many claim they are deliberately reducing production to maintain prices firm in a soft market, but in spite of this prices have softened substantially and this grade of paper is difficult to sell. The International Paper Company, during the summer months, produced two hundred to three hundred tons a day more newsprint than their now normal production, which is about 1,300 tons a day. They have retained for a year past Chas. F. Duncan, formerly with the Marathon Paper Mills and the Minnesota & Ontario Power Company, associated with Dan. J. Albertson, engineer of Kalamazoo, Michigan, for the particular business of examining all their mills and turning as many machines as possible off newsprint and on specialties and other grades.

"In spite of this systematic and scientific attempt to divert their tonnage, and in spite of the fact that a year ago they were running sixty-two machines on newsprint and have now only fifty-two, they are making more newsprint paper because the machines now running are their most modern machines, having a capacity for larger production than the older ones being taken off. This shows, in the face of such attempt to divert machines off newsprint, how little has been accomplished and how improbable it is that further machines can be switched in this way, under the existing markets.

"For this reason, publishers need not be afraid, if they have to depend for their next year's supply on the open market, that so much paper will be diverted that it will create a scarcity. Since the announcement of the recommendation of the Paper Committee, urging publishers to adopt the policy of only making contracts at a satisfactory price and under satisfactory contract conditions, we have had reports from a large number of publishers, who, by insisting on this position, have now been able to obtain contracts under prices and conditions endorsed by the Committee and certainly on a much better basis than if they had allowed themselves to be coerced into a panicky frame of mind, as was the case last year. To some extent, at least, it is now a seller's market."

Bulletin No. 3779, issued Nov. 22, 1917, again urged strenuously that publishers refrain from making contracts, and declared that market conditions presaged lower prices. In the words of the Committee:

"The Paper Committee, after further very careful investigation and consultation on the paper situation, again particularly **urges all publishers to refrain for the present from making contracts for next year.**

"The advice offered in our previous bulletins has been substantiated by developments, and we believe each individual publisher's interests will be best served by refraining, until further notice, from making any contract for next year.

"**There can be no possibility slip-up,** since there is practically three months' supply on hand, . des 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 ny 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 wi 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.

"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 reading 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

Trade Commission, again expressed the opinion that paper prices in 1918 would rule much below that figure, as follows:

"The systematic campaign through the trade press and other circles to make publishers believe that the Federal Trade Commission acceded to this present three cent price is incorrect. There is a decided attempt being made to instill in publishers' minds the belief that the Commission will fix a price for next year higher than three cents. Certainly, of course they may do this, but manufacturing costs must increase enormously over anything in prospect at the present time to warrant such a price. The Paper Committee is in close touch with the cost of materials and supplies for the operation of mills in Newfoundland and are following paper making materials markets very closely.

"With the prospect in view of so many prices being fixed by the Government, such as coal, copper, wool, chemicals, and steel supplies, the indications are that the prices of these paper making materials will not be very materially increased, at least during the next year, over last, and that therefore a price based on cost for 1918 should be a very fair proposition and give a very satisfactory price.

"There is no doubt that the basis of operation between publishers and manufacturers under this agreement would be fair. No matter what else is offered to a publisher, he should be willing at all times to put his business on such a basis. Unless a contract is at $2.85 f.o.b. mill or less for 1918, with a promise of supply till the war is over at Federal Trade Commission prices, it cannot hope to be better than this. Arrangements for the decisions will be based on accurate knowledge and desire to do what is right."

The bearish arguments of the Committee on Paper misled the editors of various trade papers. Thus, the *Editor and Publisher* (New York) committed itself unreservedly to predictions of a low price market for 1918, based on information (or misinformation) supplied by the Committee. In its issue of January 26, 1918, that very excellent publication printed the following editorial:

NEWSPRINT PRICES

"During the month of December, according to the reports of the Federal Trade Commission, fifty new contracts for newsprint were made by publishers with the thirty-six United States companies reporting to the Commission. These contracts aggregated 40,178 tons, and the prices for 95 per cent of this tonnage ruled at $3 and less, f.o.b. mill.

"Open market prices for rolls in carload lots ranged from $2.90 to $3.50, and for sheet paper, $3.15 to $3.50.

"The *Editor and Publisher* has, for months, urged upon publishers that no new contracts should be made at this time, unless made at a price below $3. The Paper Committee of the A. N. P. A. has strongly advised that policy, and it would seem that the publishers have profited by the admonition.

"The advice is still good. Conditions are still unsettled, of course, and will be until the Federal Trade Commission shall have ruled upon the question of a maximum price for the period of the war. To tie up, through a long-term contract, pending that ruling, would be to surrender to those who have imposed and who still maintain—with weakening grip—a sellers' market.

"A competitive market is coming—and it is not far away. Prices may not rule quite so low as those just established by the Canadian Newsprint Controller but they should not rule materially higher. Fair profits for the manufacturers will be assured. Every publisher desires that. But excessive profits on newsprint will, in the course of near events, come to an end."

How all this expert advice and those owlish predictions compare with the actual facts is too well known to call for comment. The Federal Trade Commission found a price of $3.10 and this in turn was raised by the judges on appeal to $3.50 and by the Commission again to its present price of $3.75¼. In Canada the price of $3.45 per cwt. fixed by the Paper Controller is at present under review by the Paper Control Tribunal.

The open market price throughout the year has ranged from $3.50 to $4.25. There has been no surplus paper. Extraordinary measures, under Government pressure, were necessary to conserve the supply. Conditions became so critical that the War Industries Board instituted means to allot arbitrarily all newsprint. Even the A. N. P. A. Committee on Paper at last woke up to the situation. After having for several months advised the publishers that paper was going to be plentiful throughout 1918, that there was no need for taking any precautions to ensure the required supply, and that prices were certain to drop, the Committee began late in the year to send out frantic alarms, which chiefly served to emphasize the fallacy of their own diagnosis of the situation and the unreliability of their earlier advice.

In Bulletin No. 3914, issued June 14, 1918, the Committee urges publishers to "**buy paper heavily**"—that conditions warrant "maintaining a six months' supply if possible."

In Bulletin No. 3941, issued August 7, 1918, the Committee reports that contracts are being made at prices ranging from $3 to $3.75 per cwt. f.o.b. mill in car lots, and that prices for current shipments for roll news range from $3.00 to $3.85 per cwt.

A later Bulletin—No. 3962, issued September 12, 1918—

still further discredits the Committee's earlier forecasts, quotes current prices as ranging between $3.50 and $4.30 per cwt., and predicts higher prices still. It also warns publishers to "protect themselves by reducing consumption to the very minimum" and by "maintaining as much surplus paper as can be done consistently,"—advice that would doubtlessly be duly appreciated by those publishers who had taken the Committee's earlier advice, neglected to contract for their supply and left themselves dependent upon the "open market."

In Bulletin No. 3987, issued November 1, 1918, the Committee completely reverses all its previous predictions. Production of paper has fallen off, prices have risen, the manufacturers have found new markets for their exports, European mills are in a bad way, and publishers are advised that they are confronted with an adverse situation—that newsprint prices will not soon return to pre-war levels. "Probably," says the Committee, "on account of increased costs, reduced money value, and continued decrease in the supply of wood, prices will not return to former levels, at least for many years—if ever." The Bulletin, complete, is as follows:

"**Newsprint production,** in line with many other industries, has been seriously affected by the epidemic of Spanish influenza, coming at a time of serious labor shortage. A large number of mills have been down from one to three weeks, wholly or partially. An estimate of the loss in production due to Spanish influenza is probably from 30,000 to 35,000 tons, this in addition to decreased production of about 90,000 tons up to this time compared to last year, so that there will probably be, as at the end of October, a total reduced production over 1917 for ten months of the year of about 120,000 to 125,000 tons. Most of these mills are now starting up, partially at least, and the indication is they will be back on full production within the next two weeks.

"**Peace Print Paper.**—The opinion of the best-informed men in the newsprint industry apparently is that the supply of newsprint paper manufactured in the United States and Canada available for domestic consumption after the war will be **substantially restricted. We have been going through a period of about four years without the usual increase in production.** In the past there has always been at least one large newsprint development and some addition or smaller developments to increase production and take care of the normal growth in consumption of about six per cent. per year. In the present situation, however, we have had a stimulated consumption and **no increased production.** When the war basis of price-fixing and the law of supply and demand are over, the manufacturers are free to do with their commodity as they wish. We must look forward to an extended period of restricted supply available for this market—first, because the normal increase in production is not available; and, second, there is a strong stimulus in this country and in Canada to cultivate export markets in a large way.

"The Webb Law, which was recently passed by Congress, allowing the manufacturers of the United States to combine for export, had this in view. Already the paper manufacturers have taken advantage of this and have organized the American Paper Export Company, chiefly backed by the International Paper Company, the American Writing Paper Company, and the Cliff Paper Company. At the head of this organization is Arthur C. Hastings, for a number of years president of the American Paper & Pulp Association and president of the Cliff Paper Company, and formerly president of the American Writing Paper Company. During the years which Mr. Hastings developed and enlarged the American Paper & Pulp Association to such an extent that it became too big to handle and has subsequently been divided up into Associations of various grades, such as Newsprint, Book, Board, Pulp, etc., he spent a great deal of money employing expert talent in investigating foreign markets, particularly South America. His association with this export enterprise will, without doubt, be an excellent one for them. There is probably no better man in the United States to get paper out of this country, with his knowledge of foreign markets and domestic manufacture. This presents a serious picture, in view of the fact that the United States manufacturers handle two-thirds of its own domestic requirements.

"In the Western Territory, the Crown-Willamette group have always had very efficient expert organization, which during the war has been considerably extended, particularly to Australia and South American markets.

"Canada has also greatly enlarged the scope of its Eastern organization in the Canadian Export Paper Association, where Mr. Steele has organized a staff from five or six to thirty or forty.

"Consumers in this market will have to face a situation of a substantial increase in export, and production not increased to meet their demands. European paper mills will not be gotten into efficient running shape again for two years, which means they will not be able to take care of South America and Australia, and will probably lose that entire business to America, In addition to this, without any doubt, America will export a substantial quantity of pulp and paper to Europe itself for a time. Print prices will not return to old levels immediately we have peace conditions again. **Probably on account of increased costs, reduced money value, and continued decrease in the supply of wood, they will not return to former levels, at least for many years—if ever.**

" **Groundwood.**—Considerable anxiety has been created among consumers of print paper on account of the probable shortage of wood next year. While this is at the present time probable, there are some conditions which will affect this considerably. The cut of wood will not be reduced this winter as much as was probably feared three or four months ago. Similarly last year, it was feared at about this time that the wood cut last season would show a substantial reduction. This, however, was not by any means as large as feared, and almost a normal quantity was gathered. This year, however, a number of contractors formerly cutting pulpwood are cutting lumber, and the increasing scarcity of labor will tend to restrict the output also. The chief factor in the situation, however, is the groundwood market, which to-day is very low, selling at almost the basis of the wood in the pulp. On account of the fact that paper mills were shut down during the coalless days last season, while the groundwood mills were able to operate, since they ran on water power, most mills were able to grind up sufficient wood to carry them over their low periods of pulp production. On top of this, last spring was an exceptionally good season for water, and many mills which frequently had low water were able to grind continually, or a great deal more than for the corresponding months in previous years. In addition to this, the largest manufacturers of groundwood in the world, the Chicoutimi Pulp & Paper Company, exported almost their entire output to England. This was dumped on this market on account of the shipping situation and English embargoes, with the result that there is a tremendous surplus of groundwood throughout the country. In some parts of Canada there are acres of it. This pulp is being marketed in the vicinity of from $21 to $25 at the mill, which is a good deal cheaper than mills in this country could import wood from Canada under present transportation and labor situations to manufacture pulp themselves. We may probably expect groundwood to advance somewhat, but it will doubtless hold down much below other pulps and materially ease the newsprint situation."

The manufacturers have no quarrel with the A.N.P.A. Committee on Paper. The Committee, in trying to keep the manufacturers and the publishers farther apart, doubtless acted according to their lights and in accordance with the judgment of their expert advisers. It may be doubted, however, whether those publishers who acted upon the Committee's advice and took their chances of buying paper in a falling market without the protection of a contract will consider themselves anything ahead by the transaction.

MISREPRESENTING THE PROCEEDINGS BEFORE THE PAPER CONTROL TRIBUNAL

The policy pursued by a large number of Canadian newspapers in misrepresenting Paper Controller Pringle and his hearings is being continued in connection with the proceedings before the Paper Control Tribunal. Few, if any, newspapers gave their readers an impartial or even a reasonably accurate account of what transpired before the three Superior

Court judges in Ottawa on Nov. 14 and 15. Most of the reports were garbled and very one-sided. They left out salient facts. They were printed under headlines calculated to mislead their readers and to prejudge the case. Some of the newspapers, furthermore, undertook to indulge in editorial comment upon the hearing, despite the fact that the newsprint controversy has reached the stage of a judicial proceeding. The *Journal* of St. Catharines, Ont., in making such comment, after quoting figures read by Mr. W. N. Tilley, K.C., as representing the earnings of certain of the companies producing newsprint, said:

"In view of these figures is there any wonder that newspaper publishers feel that they are being bled white? Through a combination of the paper manufacturers the price of white paper used by newspapers has been forced up almost double. The cost, indeed, has become out of all proportion to the element of fairness in business, and yet all the protests of the publishers before the Commissioner have been of little avail. Reasonable profits are justified, and no sound paper would offer any criticism so long as they are reasonable, but when they run into such figures as Mr. Tilley has produced, and when the charges are ruinous to newspapers, publishers would be indifferent, to be sure, if they did not object.

"The publishers feel it is about time for the Dominion Government to tell these paper makers that they are squeezing a good thing too hard. So far as Commissioner Pringle is concerned, many publishers have lost confidence in him."

The *Standard* of St. John, N.B., said, among other things:

"Yesterday's opening hearing of Canadian publishers' appeal from the decision of the Paper Controller brought out many interesting facts in respect to profits made by Canadian manufacturers during recent years. As a result of the decision of Mr. R. A. Pringle, K.C., in greatly increasing the price of newsprint a few months ago, publishers appealed on the ground that such an increase as had been made was not justified by the facts brought out in evidence, in connection with the operation of the industry.

"It is the newspapers of Canada that have kept this country in its present condition of prosperity by maintaining a hopeful sentiment, by encouraging cheerfulness, devoting their time, space and material to every project calculated to advance the interests of the people. They have contributed to the welfare of their country as no others in any line of business have done. It has been at a loss to themselves, in many cases at the cost of bankruptcy, but they have gone under rather than fail in what they considered their duty.

"It is not at all an exaggeration to say that the relations existing between newspaper publishers and newsprint manufacturers are strained.

They each have chips on their shoulders. They are into a fight and they both propose to continue the fight—the manufacturers because they demand excessive profits, the publishers because they are trying to keep alive."

The Glace Bay *Gazette* says, editorially:

"How the paper makers 'doctored' their books and accounts in order to show a high cost of production was shown at a recent session of the paper control tribunal when the newspaper publishers succeeded in getting on record the result of investigations made by Government Auditor G. T. Clarkson and his assistant, W. L. Taylor, since Commissioner Pringle fixed the price of newsprint from July 1 to $69 a ton for rolls."

And concludes by saying:

"The newspapers are directly interested in the probe into paper prices, but the public is almost directly interested, because the price eventually comes out of the public in charges for papers and advertising space. If the newspapers could not thus recoup themselves when they are victimized for the benefit of the paper barons, more of them would be forced into bankruptcy."

Can it be possible that these publishers hope to stampede the court as they succeeded in stampeding the Government in 1916?

NEWSPAPERS INCREASE RATES

The tendency of the Canadian newspaper publisher continues in the direction of increasing the selling price of his publication. A recent notable convert to the higher price plan is *La Presse*, Montreal's big French daily, which has advanced from 1 to 2 cents a copy.

The three daily newspapers of Calgary, the *Herald*, *Canadian* and *Albertan*, have increased their mail subscription rates from $4 to $5 a year.

The Edmonton *Journal* and the Edmonton *Bulletin* have advanced their prices from 10 cents a week delivered and $4 a year by mail to 15 cents and $5.00 respectively.

The *Island Patriot* of Charlottetown, P.E.I., now sells at 3 cents a copy.

The Lethbridge *Herald* has advanced its price to city subscribers from 10 to 15 cents a week.

The Brantford *Expositor* and the Brantford *Courier* are now selling at 45 cents a month or $5 a year paid in advance.

The St. Catharines *Standard* has increased its mail subscription rate from $3 to $4 per year.

There are comparatively few weekly newspapers remaining in the $1-a-year class. The Whitby *Gazette and Chronicle* is one of the latest to advance its rate to $1.50.

A recent bulletin issued by the Canadian Press Association gives a list of 23 weekly and two semi-weekly newspapers published in the Maritime Provinces that have raised their subscription price to $1.50 or over in recent months. The list includes nine newspapers published in New Brunswick, three in Prince Edward Island and thirteen in Nova Scotia.

The Association's Bulletin No. 480, issued Sept. 7, 1918, notes advances in the subscription price of the following dailies: The Manitoba *Free Press*, The Winnipeg *Tribune* and the Winnipeg *Telegram*; the Regina *Post*, the Regina *Leader*; the Saskatoon *Star*, the Moose Jaw *Times*, the Moose Jaw *News*; the Halifax *Herald*, the Halifax *Mail*, the Halifax *Chronicle*, the Halifax *Echo*; the Stratford *Beacon*, the Stratford *Herald*. Among the weekly and class publications reported in this bulletin to have raised their price are the Alameda (Sask.) *Despatch*, the Treherne (Man.) *Times*, and the *Canadian Home Journal* of Toronto. This is the second increase for the last-named publication, whose publisher is reported as stating that the effect of the earlier increase was to add to his number of subscribers.

In a subsequent bulletin, issued in October, the Association reports ten daily newspapers and two weeklies as having increased their subscription rates, and gives the following information concerning the *Farmers' Magazine* of Toronto:

"The Maclean Publishing Company, Limited, recently advanced the subscription price of the *Farmers' Magazine*, Toronto, from $1.00 to $1.50. The publishers report—'We have not noticed any change in the volume of renewals or new subscriptions.' This history is similar to previous history of the same publishing house when it raised its subscription price on some of its weekly retailers' papers from $2.00 to $3.00, and on *Maclean's Magazine* from $1.50 to $2.00. The fact is that the public has become so accustomed to higher prices for practically everything it uses, that an increase in the price of its magazines and books is consented to as a matter of course. Publishers who have been timid about making an increase in subscription rates have, in the instance cited above, assurance that if they take the bold step they will not lose anything, but, on the other hand, gain much."

A general increase in advertising rates is also reported by many newspapers and periodicals.

THE TREND TOWARD THE 3c. BASIS

(From *Editor and Publisher*, New York, November 30, 1918)

The Indianapolis newspapers go to a three-cent basis December 2, and the dailies of half a dozen other cities of the State are to follow suit at the same time, with still others on the verge of making the decision.

As indicated in *Editor and Publisher* on several occasions recently, the trend toward the three-cent price is unmistakable. In fact, it is quite as strong as was that toward the two-cent price a year ago, and the indications are that it will extend to every part of the country.

There is involved in this price-raising policy a manufacturing problem. Revenues from circulation must cover at least a substantial part of the increased cost of newsprint and mounting distribution expense. Advertising rates must be advanced, too, as a matter of equity to all concerned.

Newspapers are not immune from economic conditions. They possess no magic talisman giving them power to ignore production costs. They have but two sources of revenue. These must be safe-guarded, that they may meet the daily needs. The demands upon them must be made with due regard to the share of the increased burden which each should bear. The three-cent price is justified by present costs of publishing—and so is a higher advertising rate.

HOW CAN THEY DO IT ?

"The press of the Dominion can right now perform a real service by calling, irrespective of politics, for a cessation of the ruling of Canada by Orders-in-council."—*Printer and Publisher* (Toronto).

But the press is on record as beseeching the Government to rule the paper-making industry by order-in-council, even to the extent of "commandeering" the mills should they refuse to supply paper at an unfairly low price.

MR. BOOTH AND MR. ROSS

The Ottawa *Journal-Press* prints two columns of unmerited editorial abuse of Mr. J. R. Booth and also states that Mr. Booth supplies the *Journal-Press* with newsprint paper and that he would not do so except for Government compulsion.

The question arises, Why should the functions of Government be perverted in order to compel Mr. J. R. Booth to supply Mr. P. D. Ross with paper upon which Mr. P. D. Ross prints editorials abusing Mr. J. R. Booth ?

MAY GO BACK TO THE F. T. C.

The *Editor and Publisher* of Dec. 7th reports that the Board of Directors of the American Newspaper Publishers' Association conferred with the new Paper Committee of the Association in New York a week ago. The new Committee consists of E. H. Baker, *Plain Dealer*, Cleveland, chairman; D. E. Towne, *Evening Post*, Chicago; M. P. Linn, *Republic*, St. Louis, Mo.; Chas. I. Stewart, *Herald*, Lexington, Ky.; D. B. Worthington, *News*, Beloit, Wis.; T. R. Williams, *Press*, Pittsburg, Pa.; M. F. Hanson, *Record*, Philadelphia, Pa.; Bradford Merrill, *American*, New York; Ervin Wardman, *Sun*, New York; James Higgins, *Herald*, Boston.

The *Editor and Publisher* states: "This is the first meeting of the new Paper Committee with the Directors, and it is said that the whole newsprint situation in its relation to Government control, price-fixing, etc., was gone into very thoroughly. The sessions were executive."

In an editorial the *Editor and Publisher* says that it may be a long time before the maximum price for newsprint fixed by the Federal Trade Commission is abrogated, as it may take many months before peace is actually declared, and urges the publishers to ask the Commission for a new hearing, in the hope of getting a lower maximum price established.

PASSING ALONG THE COST

That Canadian newspaper publishers do not intend and are not paying the increased cost of paper out of their own pockets (there being no reason at all why they should think of doing so) is shown from the following article sent out by the Canadian Press Association and printed generally by the newspapers of Canada. It is addressed to members and marked for the use of "all classes of publications using newsprint."

GETTING BACK THREE MILLION DOLLARS

THE PAPER CONTROLLER for Canada a few weeks ago added $12 a ton to the price of newsprint paper—the **kind** of paper used in printing the *Record*. This addition, following closely upon several previous increases authorized by the Paper Controller, has meant to Canadian newspaper publishers a total increased publishing cost, in the matter of paper alone, in the past eighteen months, of three million dollars! This very considerable sum Canadian publishers **must recover from their customers, their readers and advertisers.**

In connection with the earlier increases the readers of many daily newspapers have been required to pay $1 or more per year for their newspapers, while the subscription price of very many weekly newspapers has been increased from 50 to 100%. In many cases still further increases will be necessary.

But all the three million dollars increase in paper costs cannot be loaded on readers; some of this sum must come from advertisers—this in the form of increased advertising rates. Advertising rates in Canada are, generally speaking, much lower per thousand of circulation than in the United States. Speaking on this point the editor of *Marketing*, a Canadian advertisers' newspaper published in Toronto, says in his last issue: "In meeting the Canadian publishers' calls for higher rates, advertising buyers should not fail to recognize that for years they have benefited by the publishers' undervaluation of his space, and should be the more willing on that account to recognize the present necessities." To all of which the *Record* agrees.

A footnote explains that the title "Record" is a dummy one, to be replaced by the name of the newspaper making use of the article.