

# NEWS PRINT CRISIS IS HERE, SAYS WELL KNOWN PAPER MANUFACTURER

**Secretary Steele, of the News Print Manufacturers' Association, in Interview for The Editor and Publisher, Declares Shortage Has Reached the Danger Point and That Publishers Will be Forced to Standardize Economies and Raise Advertising Rates in Self-Protection.**

(The article below will prove not only interesting, but enlightening, now that the news print situation has reached a critical stage. With prices far advanced and still being raised, with no limit in sight, it seems a foregone conclusion that the newspapers will have to raise their rates, some advertising and some subscription, and some, possibly, both, as nearly all contracts for paper expire January 1, 1917. These contracts cannot be renewed at the old price; in fact, paper houses are declining to renew at all, and paper will likely have to be purchased in the open market, at exceedingly high figures.)

For the first time since the news print situation has become acute, G. F. Steel, secretary of the News Print Manufacturers' Association, has consented to discuss the problem of white paper shortage which now confronts every newspaper publisher in the United States. Mr. Steele's position with the news print manufacturing interests is analogous to that of Lincoln B. Palmer as manager of the American Newspaper Publishers' Association, and his ideas at this critical time of the utmost importance, since they embody the viewpoint of the men on whom the publishers must rely for the white paper they will use in the future.

Mr. Steele informs The Editor and Publisher that the bottom of the reserve supply of news print has been reached, and that, whether they wish to or not, publishers must reduce consumption to avoid shortage, otherwise some of them will have to suspend. He states that at the conference between publishers and paper manufacturers held last April, at the request of the paper makers, the attitude of the latter was resented, and the warning of the identical condition that now faces the publishers was ignored.

The remedy for the present situation, he states, lies in a radical reduction in the size of newspapers, to bring the demand within the limit of the mills, and, in order to aid in this matter, he suggests an increase in advertising rates to keep down the size of the advertisements, the standardization of the newspaper business along the lines suggested editorially by The Editor and Publisher last week, and the utilization of the various editorial associations as business organizations through which all supplies may be purchased.

Mr. Steele's attention was called to some comments in various papers regarding the conference between the executive committee of his association and Edward N. Hurley, chairman of the Federal Trade Commission, at the Union League Club, in this city, Thursday, September 14, and he was asked to comment on them. Replying, he said:

"The report of the interview given out by the Federal Trade Commission in Washington is correct and proper in every way, but some of the comments and explanations made by newspapers have enlarged unduly on some of the things which occurred at this meeting. For example, it is stated that the news print paper manufacturers are anxious to have another interview with the newspaper publishers. It is not true that we are

anxious to obtain a conference with the publishers to discuss plans for cooperation in the conservation of the supply of the news print paper, but we are entirely willing to meet a committee of responsible publishers, and so stated our position to Mr. Hurley. We have not forgotten the conference which was brought about at our request on April 5 last. **Manufacturers Foresaw Paper Shortage.**

"Early in the year we foresaw the present shortage. The demand for white paper was increasing at an enormous rate, in many cases in excess of contracts. The supply of sulphite or chemical pulp was greatly reduced, and our mills were running to capacity, with no sign of a decrease in consumption. The news print manufacturers, who always sought to accumulate a surplus during the summer months, to protect publishers during the fall and winter months, when the demand is greater than at any other period in the year, became alarmed. The situation was grave. We were approaching a crisis, and, unless something was done to curtail the demand, to conserve the supply, we could see that there would be a shortage that would seriously affect newspapers, not only with regard to the quantity they might desire, but as to the price for it must be perfectly apparent to any reasonable man, that where there is a shortage of material — a demand in excess of the supply, with first one and then the other bidding at a higher rate to get what the other fellow wants and must have, that increased prices naturally result. That was what we thought we could see in the future, and it was a condition we wanted to prevent.

"We thought the best way would be to call a conference of the publishers, and state the case frankly, and suggest that they put into practice economies that would lessen the demand upon the mills, and relieve them

of the burden to which they were being forced, in order that the supply might be, if not in excess of the demand, at least equal to it. That was the thought that prompted the news print manufacturers when they called for a conference. It was our idea that we would state the case frankly and seek from the newspapers the cooperation necessary to prevent the very condition that now confronts the press of the United States.

"We made formal application to the management of the American Newspaper Publishers' Association, requesting that a committee of that Association meet with the executive committee of our Association for the discussion of common problems. After some delay we were informed that the directors of the American Newspaper Publishers' Association would not appoint a committee to meet us, and that any conference which might be held would have to be an informal conference of individuals. We pocketed our pride on this proposition and consented to this plan, and on April 5th a meeting was held, at which time there were present for the newspaper publishers the following men:

**At The April Conference.**

"Herbert Bridgman, of the Brooklyn Standard Union; Hopewell Rogers, of the Chicago Daily News; John Stuart Bryan, of the Richmond, (Va.), News-Leader; E. P. Call, of the New York Journal of Commerce; J. F. MacKay, of the Toronto, (Cana.) Globe; J. E. Atkinson, of the Toronto Daily Star; W. S. Jones, of the Minneapolis Journal; R. B. McCormick, of the Chicago Tribune; Bradford Merrill, of the New York American; Jason Rogers, of the New York Globe, and Lincoln B. Palmer, manager of the American Newspaper Publishers' Association, and on the part of the news print paper manufacturers there were present: P. T. Dodge, president, International Paper Co., New York; George Chahoon, president, Laurentide Co., Ltd., Grand Mere, Canada; G. H. P. Gould, president, St. Regis Paper Company, Watertown, New York; E. W. Backus, president, Minnesota & Ontario Paper Co., Minneapolis, Minn.; George H. Mead, president, Spanish River Pulp & Paper Mills, Ltd., Dayton, O., and myself.

"We explained the situation carefully, frankly, and with the utmost candor. There was nothing to conceal then — there is nothing to conceal now. We asked the publishers at that conference to cooperate, and suggested then that they adopt the identical measures that they are advocating now, to prevent the very condition with which they are at the present time confronted. We thought that that was the proper way.

"Imagine our surprise, when we learned that the attitude of the publishers was one of resentment! There were members present who gave us plainly to understand that they considered that we were interfering with their business, attempting to dictate to them on matters of policy and to tell them how they should conduct their affairs. Our suggestions were coldly received.

"We explained that the larger publishers would not be affected to the same extent as the smaller, but inevitable all would be affected to some extent, and we gave facts of production and demand to back up our statements, but, as I have stated, our suggestions were not taken seriously, were not adopted — were even resented.

**Bradford Merrill Foresaw Shortage.** "I want to say, in this respect, that Bradford Merrill, publisher of the New York American, who was present at that meeting, with rare judgment and keen insight, grasped the situation and fully appreciated the dangers ahead. He could read the future in the figures we presented, could foretell it by the history of the past, and he coincided with us. Had the sentiment of that meeting been in accord with the thought of Mr. Merrill, publishers would not today be confronted by such a serious condition, which is of their own making and for which they have only themselves to blame. So, having in mind the conference of April 5, called at our request, and remembering the coldness of our reception and the fact that our suggestions were treated not only lightly, but were resented, you cannot blame us if we are not anxious to seek another meeting. We asked for that conference, prompted by the best of motives, and in order that we might prevent the very thing for which we are now blamed, and which might have been avoided, and which might have been avoided if the publishers had taken at that time the steps which necessity is compelling them to take now."

"There is a normal increase of about 6 per cent. in consumption, and, according to figures given out by the A. N. P. A., an annual increase in production of only 8.10 of one per cent. Why haven't the mills increased their output to a point equal to the demand, in order to have in a measure prevented this condition?"

**Increased Production Very Small.** "The figures you quote are absolutely correct. The mills have not kept pace with the supply, for the reason that the manufacturers have been antagonized so generally by the newspapers. The price of news print has been very low for a great many years. Newspapers have sought constantly to obtain a lower market, have criti-

cised and fought the mills, have urged legislation adverse to the interest of the mill owners, and have carried on campaigns of antagonism, not only during the present crisis, but for a number of years back. The manufacturers of news print have been given more than one black eye by the newspapers.

"In the face of this opposition, this resentment, and antagonism, it is not strange that men have not embarked on the construction of additional mills to supply an industry which held them at arms' length, that fought them at every turn, that advocated adverse legislation, prosecution, tariff changes, and the like, that have constantly hampered, disturbed, and kept the news print industry in a state of business uncertainty. So, with the natural increase in the demand for paper on all sides, it is not to be wondered that the news print mills should go into the making of kraft and other grades of paper, in which there is decidedly more profit and to which profit there is no opposition on the part of consumers, who are glad to get the supply at what they consider a reasonable price, who do not fight the manufacturers, and whose attitude is one of appreciation, rather than one of antagonism. New mills constructed have been utilized for other grades of paper, to such an extent that, in the past seven years, there has only been an average increase in the production of news print of 67 tons a day — whereas the increase should have been at the rate of 6 per cent. a year.

"But, the publishers must not blame capitalists if they take the papers at their word, and decline to engage in a business that is constantly being disturbed by the newspapers, and which the newspapers, by their attitude and opposition, are endeavoring to make more unprofitable.

**Corroborates L. B. Palmer's Figures.** "In this respect, I want to say that the figures compiled by Lincoln B. Palmer, manager of the American Newspaper Publishers' Association, are correct, and I want to say that I believe that Mr. Palmer is actuated by the best and highest of motives. He has investigated this matter thoroughly, and from an impartial standpoint. He was one of the first to grasp the significance of the increasing demand for white paper, and the failure of the mills to respond to the steady increase. Mr. Palmer, as manager for his excellent organization, not only saw this situation months and months ago, but he warned publishers. Had the publishers, the members of

the American Newspaper Publishers' Association, given the matter the same thought, or had they considered the subject and concentrated on it as did Mr. Palmer, the present crisis might have been averted.

"Evidently they did not accept his view of the situation, either, though events have proved that his calculations were accurate to a decimal. So, publishers have had not only the warning of their own manager, which they have ignored, but they have had the warning of the manufacturers, who earnestly, honestly, and in a spirit of perfect candor, sought to impart it to them in a conference, where the situation could be taken over in the friendliest manner. In the meantime, we have tried in every way possible to speed up our mills to prevent the crisis which the publishers themselves have brought on, and which they could have averted. When we wanted cooperation, they were hostile, they have been hostile since, and are hostile now."

"What has been the increase in the price of white paper, Mr. Steele?"

**Small Publishers Suffer Most.** "To the large newspapers, there has been, except in a few cases, very little increase, for the reason that they are

protected by contract. The increase is added to the price. The jobber — the man who prints a small town daily, or a weekly, who has not contracted, or who does not consume sufficient to make it to his interest to contract. These publishers buy in the open market, at such times as their requirements necessitate, and usually through jobbers or agents. For that very reason, they pay a higher price, for, necessarily, the jobber's commission is added to the price. The publisher who supplies him must carry all sizes, for all newspapers are not of the same size.

"Some jobbers must keep a large stock, to be in a position to give the printer who wants his supplies in bundles, the required amount on short notice, and it is frequently the case that of several papers published in a town, no two will use stock of the same size, color, or weight. All this adds to the price and increases the production. Now, when there is an actual shortage, the price is increased, and that explains why, in the present crisis, which is rapidly growing more acute, the small publisher is paying book paper prices for news print."

(Continued on Page Thirteen)



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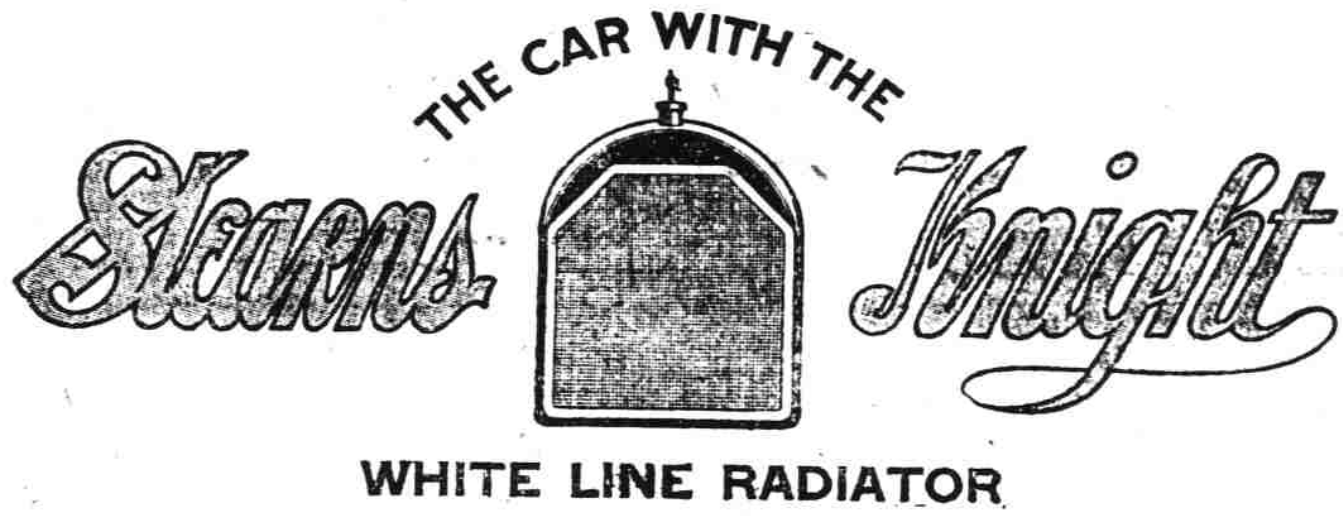
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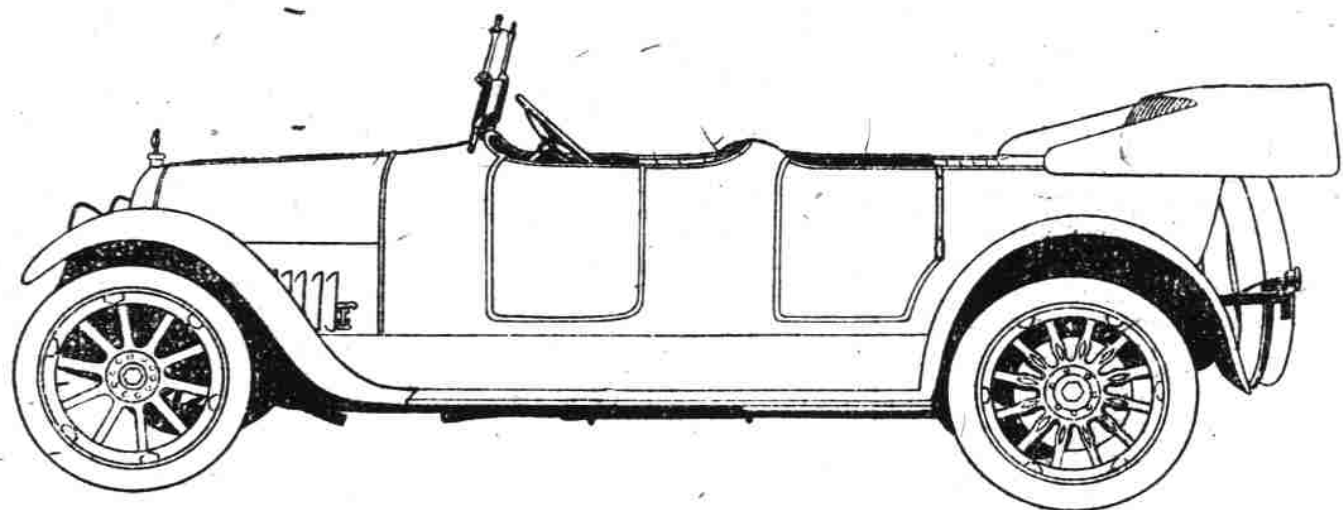
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