

**HIGHLIGHT**



The House Magazine of  
R. T. TANNER & CO. LTD.

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# Tanners Quarterly House Journal

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The last issue of our Journal wished you a Happy New Year and with the aid of our representatives this no doubt reached you nearer Easter than Christmas. We were strongly tempted to send next years greetings in this issue to make sure that it reaches you in time.

The recent postal strike did not do the damage envisaged to business as a whole, since telephones and telex maintained communications and most firms found ways of distributing their essential mail by every possible means even though at considerable cost and wasted time. However our particular trade suffered severely, as was to be expected. At a time when the paper industry was on a serious downward trend, the strike hit the paper making, merchanting and printing industries very hard, and none less than the greeting card trade. Unfortunately much of the trade was lost for good and a resumption of mail certainly does not mean that all the backlog of unprinted and unsold goods will now be put in hand.

In the envelope making, manufacturers were able to clear up their special orders and make up stocks, but there was a limit to how much stockpile it was possible to hold, space being the main problem. The strike ceased just at a time when the pressure was really on, but all manufacturers realised that this was only the beginning of troubles, not the end. The increased postal charges, with yet more threats of further increases in the near future and the habit engendered of the use of telex and telephone will, without doubt, result in reduced postage. This figure will probably be in the order of 10 per cent. though this is only supposition based on the results of previous increases in postal rates. It is presumed

that it may take up to 2 years to bring the total mail back to pre-strike figures. Again this is governed by the general level of industry throughout the Country, and at present this is not looking very happy.

The first sufferers have undoubtedly been the paper mills, who have been living on a knife edge for a year or more. Six mills have closed in the last few months and others will follow fairly rapidly. There are no take-overs these days as no group wants to take on a bigger headache than they have already. They are in fact considering carefully and deeply how many of their machines they are having to stop.

The immediate outlook is therefore the unpleasant likelihood of further closures of machines and even mills. It is many years since the paper industry witnessed such a blank outlook and the only mills which seem to have reasonable order books are those who are largely making well-known branded lines of banks and bonds and writings, and a few small mills making speciality papers. Costs continue to escalate and even following the recent price increases in paper, these are certainly not covering higher expenditure in production.

The cause of this situation is fairly obvious and is the culmination of the E.F.T.A. agreements abolishing all duties on imported paper from E.F.T.A. countries, which have always been traditional suppliers. The continuous rise in imports has been met reasonably successfully for the last few years whilst the demand market was rising, but as soon as usage tailed off, the British mills took the full force of overseas competition. Many years ago the Scandinavians decided that they would be better off financially in making pulp into paper and exporting the finished product rather than the raw material for paper making. In this theory they were totally correct as in selling pulp to paper mills their prices were kept down to a reasonable figure by competition between each other and supply and demand. They also had to keep in step with the Canadian pulp suppliers.

Now that the pulp producers had added, or at least increased, their paper making capacity they were not so beholden to the British mills for orders for pulp, since they required a great deal more of this for processing in their own mills. The shortage of pulp way back two or three years started from this, and since the competition between them was far less intense there was nothing to stop prices rising seriously.

*(Cont. on page 4)*

## The new tough lightweight

### METRIC MANILLA POCKETS

	GUMMED FLAPS:			
	100,000	50,000	25,000	10,000
<b>D.L.</b>				
<b>220 × 110mm</b>	<b>£2.08</b>	<b>£2.11</b>	<b>£2.14</b>	<b>£2.17</b>
<b>C.6</b>				
<b>162 × 114mm</b>	<b>£1.56</b>	<b>£1.59</b>	<b>£1.62</b>	<b>£1.65</b>
<b>C.5</b>				
<b>229 × 162mm</b>	<b>£2.81</b>	<b>£2.84</b>	<b>£2.87</b>	<b>£2.90</b>
<b>C.4</b>				
<b>324 × 229mm</b>	<b>£5.08</b>	<b>£5.11</b>	<b>£5.14</b>	<b>£5.17</b>
<b>10<sup>1</sup>/<sub>8</sub> × 8<sup>1</sup>/<sub>2</sub></b>				
<b>270 × 216mm</b>	<b>£4.18</b>	<b>£4.21</b>	<b>£4.24</b>	<b>£4.27</b>
<b>15 × 10</b>				
<b>381 × 254mm</b>	<b>£6.73</b>	<b>£6.76</b>	<b>£6.79</b>	<b>£6.82</b>

per 1,000, Purchase tax is only chargeable on D.L., C.6 and C5.

Under 10,000 add £0.05 per 1,000

*Tanner's new Pockets*

During these years the Scandinavians have only increased their paper prices by the amount of the rise in pulp and British mills have no longer been able to compete.

From newsprint to coated, including banks, bonds, cartridges, printing and dual purpose, E.F.T.A. papers are well below the British prices, and to add to the discomfort they are now aggressively selling their products in this Country, frequently through their own agencies or offices. Following the slackening demand in print particularly in the bigger runs, the British mills have found themselves in dire trouble with the larger units suffering the most.

What does the future hold? As far as British mills are concerned we would venture, not very much. This was clearly apparent when E.F.T.A. first came into being and when the British Paper and Board Makers Association voiced, unsuccessfully, their disapproval, and has been covered up by the yearly increase in consumption, but as soon as this tailed off as it has during the last six months, the stark realities have emerged. In fact the future for paper making in this Country has seldom looked blacker. There will always be a stock trade particularly of branded lines, together with speciality papers, but the juicy large tonnage orders will no longer be made economically in this Country. The result will be that, unless tariffs are re-introduced, and we cannot foresee this happening, the number of paper machines will dwindle to about three quarters of those in production twelve months ago. We may find that in 1972/3 the demand will increase sufficiently as the result of a general upsurge in business, to allow the dust covers to be taken off some of those machines in the big units but most will have to be closed down once and for all.

The paper making industry in this Country is about to contract in size to the state which all envisaged when the E.F.T.A. agreements were entered into, in the interests of the loosening of trade barriers between all countries involved. Unfortunately it was realised that the paper making industry was the one most certain to suffer and the only consolation is that they have managed to survive much longer than was originally expected.

As far as we are concerned, apart from the dislocation caused by the postal strike, we have found that the stock trade of paper and board has been well maintained. This

therefore reinforces our theory that it is the very large tonnages in which mills like to consider their privilege to deal direct, and which have been curtailed or disappeared altogether.

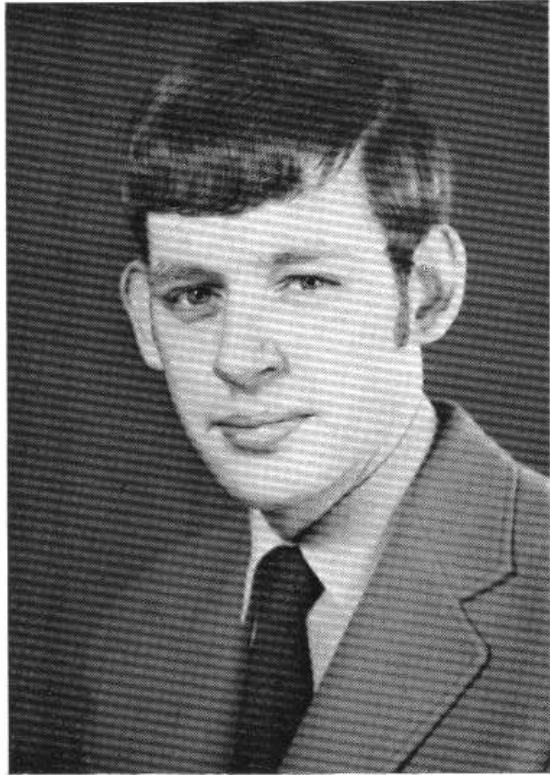
## Raiders keep out

A short while ago our Production Director, W. Hedley, received a telephone call at his home in the middle of the night. This call came from an excited and harassed night watchman, whose services we share with our next door neighbour.

Jock, the nightwatchman, on patrolling our offices had come to the door of the office occupied by our Financial Director, Alan Flett, and had seen a notice thereon stating "BEWARE, GUARD DOG". Fearing a fight to the death between this intruder and his own dog, which for ferocity would put most police alsatians to shame, he wisely took his dog outside and shut the door. He then returned to the office and opened the door—just a crack then wider and wider but could find no 'Guard Dog'. Then he phoned Bill Hedley, saying that he did not know we now had a guard dog and he was afraid that it must have escaped as it was nowhere to be seen.

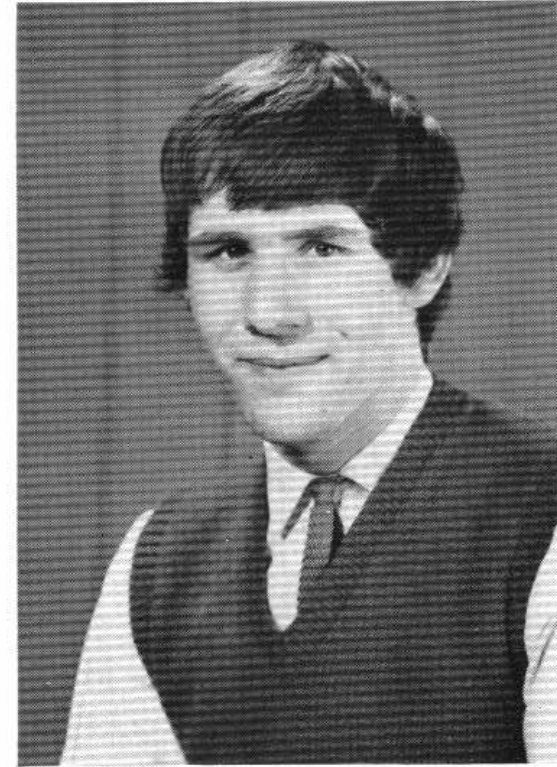
The laughter was loud and long (the next day, of course). The 'Guard Dog' was a recent acquisition of Alan Flett. A twelve week old border terrier pup, no more than fifteen inches long and ten inches tall, which he brought to the office during the day.

The notice was put on the door by one of the female wags in the accounts department! Need we add that the pup is a firm favourite of the staff and sleeps in a desk drawer of the head girl in our accounts department.



John Berry

Joined the Company in October 1970 from Savory Bros. agents for The Darwen Paper Co. Ltd. (Reed International). He is currently a member of the young team in our distribution department, handling your orders for stock paper, boards and envelopes.



William Frank Walford

Joined the Company in August 1969 as a trainee in our distribution department handling stocks orders. Bill's hobby is fishing and his most fervent wish is to catch a 20 lb. Carp (only a fisherman knows why!)

## The aftermath of Strikes

The envelope trade has taken something of a caning as the result of the postal strike. An average posting in this Country is 35 million per day, which over a period of seven weeks gives a total of roughly 1,400 million allowing for a reduction of Saturday postings. Agreed that envelopes for invoices, statements, wages etc., were still being used albeit not posted, but taking this into account it can be seen that a huge quantity of envelopes and pockets were not used and never would be, so sales were completely lost. Added to this, after the initial surge of mails which was held up during the strike, there was certain to be a cut back in normal usage following the increase in postal tariffs.

Telex and the telephone had an involuntary sales push and businesses particularly have realised that these aids have enabled them to continue trading without recourse to letter writing. The habit engendered will not die easily, and overall postings must be reduced as a result.

The only consolation is that we have managed to catch up on the backlog of orders, both specials and stock, and we are at last in a position to supply standard lines from stock and give a more realistic delivery for specials.

We are also taking this opportunity to phase out cream laid envelopes which have declined in popularity over the last few years. Stock of Champion and Snowcap Cream Laid are still available and meanwhile we are initiating two new lines, Penguin Wove and Cranleigh White, details of which will be found on page 9. The former is a cheap white envelope reasonably opaque and will be in demand for the business user who likes a white envelope instead of manilla either with or without transparent windows in which to send out his mail. Cranleigh White is a thinner and therefore cheaper edition of our well-known Centenary White, for the business user who likes a good white quality but cannot quite afford the best.

Incidentally we are finding that most other envelope manufacturers are now bringing out new lines to compete with our Centenary White envelope though none as yet are giving the same substance or price. Surely imitation is the greatest form of flattery, and we leave it with complete assurance to our customers to judge. Truly there is no competitor for our Centenary White envelopes and pockets.

## Two new lines

### PENGUIN WOVE ENVELOPES

	100,000	50,000	25,000	10,000
89 × 152mm (3½ × 6)	0.72	0.74	0.76	0.78
229 × 102mm (9 × 4) Pockets	1.42	1.45	1.48	1.51

### CRANLEIGH WHITE ENVELOPES

89 × 152mm (3½ × 6)	0.89	0.91	0.93	0.95
102 × 229mm (4 × 9)	1.83	1.86	1.89	1.92
114 × 162mm (C6)	1.34	1.37	1.40	1.43
110 × 220mm (DL)	1.78	1.81	1.84	1.87

### Windows

89 × 152mm (3½ × 6)	1.14	1.17	1.20	1.23
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£p per 1,000—Subject to Purchase Tax—  
For quantities below 10,000 add  
£0.05 per thousand.

*Tanners for Envelopes*

## Purchase tax exemption

As from 1st February, 1971 large pockets were exempted from Purchase Tax irrespective of the type of closure and whether plain or printed. This means that pockets with gummed flaps, tuck flaps or those fitted with metal eyelets and fasteners are exempted.

There has, however, been confusion in the size level from which this starts, but it is really quite clear in that the Customs and Excise laid down that BOTH dimensions have to be greater than  $9\frac{1}{4}'' \times 4\frac{3}{4}''$  (235 × 120mm). The misunderstanding arose through the wording in certain publications and instructions, which were hurriedly issued by various associations and trade journals, to the effect that all pockets larger than maxi-pop ( $9\frac{1}{4}'' \times 4\frac{3}{4}''$ ) were exempt from purchase tax.

Pockets such as  $9'' \times 6''$  (229 × 152mm) and C5  $9'' \times 6\frac{3}{8}''$  (229 × 162mm) were at first thought in some directions to be exempt, but this is clearly not so, and the nearest and smallest stock size which is exempt is  $9\frac{1}{4}'' \times 6\frac{1}{2}''$  (241 × 165mm), as the enclosed sample.

Some envelope manufacturers are about to produce non-standard sizes of pockets to get around this problem, but we think that this is a retrograde step and will not be received universally and of very short duration.

## PRICES

As from Monday 5th April, 1971, envelope and pocket prices were increased approximately 4 per cent. Although raw material prices were raised in February we have maintained our selling prices unchanged since August 1970. However, the many other overhead increases we have experienced and over which we have no control, particularly oil fuel for heating, electricity, insurance and rates, leave us no alternative other than to review our selling prices. We can only say that, in this recent era of raging inflation, the increase is minimal. New printed price lists have been issued and further copies are available on request.

# BUY WISELY— BUY SARUM

## White Bank & Bond

*Weight per  
1,000 sheets*

45 g/m<sup>2</sup>

L. Post 22 lb.	419 × 533mm	10.0 kg.
D. Cap 29 lb.	432 × 686mm	13.3 kg.
RA2 26.5 lb.	435 × 620mm	12.1 kg.

63 g/m<sup>2</sup>

L. Post 31 lb.	419 × 533mm	14.1 kg.
D. Cap 41.2 lb.	432 × 686mm	18.7 kg.

71 g/m<sup>2</sup>

L. Post 35 lb.	419 × 533mm	15.9 kg.
D. Cap 46.4 lb.	432 × 686mm	21.0 kg.
RA2 42 lb.	435 × 620mm	19.1 kg.

	up to 250 kg.	250 kg.	500 kg.	1,000 kg.
Price per kg. p.				
45g/m <sup>2</sup>	27.5	24.5	22.5	20.5
63g/m <sup>2</sup>	26.0	22.5	21.0	19.5
71g/m <sup>2</sup>	25.5	22.0	20.5	19.0

*Tanner for Paper*

## Cut papers

In future when supplying stock cut papers, 10 × 8 (254 × 203mm), A4 (297 × 210mm) and 13 × 8 (330 × 203mm) we are no longer able to break mill packs.

We have found that the paper packing or cartons for each ream are so fragile that the contents are frequently damaged in transit.

Most mills pack in strong cartons or bundles of 5,000 sheets though in some cases they are 4,000 or 8,000 sheets and these are clearly shown in our price list against each quality, substance and size.

In the interest of ensuring that you receive your goods in perfect condition we must insist that only full mill packs are supplied.

## Pop goes the weasel

Our Managing Director, in his capacity as treasurer of The Envelope Makers and Manufacturing Stationers Association at the E.M.M.S.A. Annual Dinner on 10th March, proposed the toast to the guests, the chief of whom fortuitously was Sir Louis Petch C.B., Chairman of the Board of Customs & Excise. In his usual outspoken manner, in thanking the Customs and Excise for small mercies for exempting these large pockets from purchase tax, pointed out the anomaly of the size level for exemption, and in particular emphasised the appalling lack of liaison between the Customs & Excise, The Post Office, the Post Office Users' National Council and the Envelope Manufacturers. He pointed out the extraordinary position now ruling in which the Post Office were trying to encourage the use of 'pop' envelopes and pockets, without actually raising the tariff on non-pop items, yet the Customs & Excise were making such items more attractive to use as they were now exempted from purchase tax. He suggested an early meeting of the authorities concerned to clear up these uncertainties and Sir Louis Petch, in his reply, said that he accepted this and it is anticipated that a meeting will be arranged shortly.

Let us hope that sanity will prevail, and we may see further alterations, though these will not be obtained without a fight.

*If you despatch publications in*

# WRAPPERS

Rolled

Flat wrapped

Plain

Printed

Perforated

Tear Strip

*Then contact the largest and most modern wrapper making plant in the Country*

*Tanner's wrappers travel the World*