



**HIGHLIGHT**



The House Magazine of  
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# Tanner's Quarterly Trade Journal

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The Directors and staff of R. T. Tanner & Co., Ltd. extend to you their usual best wishes and prosperity for the New Year, 1974.

As we go to press we cannot say that the outlook for the start of the year looks very promising. It seems somewhat odd to laymen such as we are in these topics that as soon as the supply of oil becomes problematical most of the other forms of power production or the means of fuel movement join in on the band wagon. No doubt this is designed to extract a little more out of the public purse at the expense of the remainder.

The remainder at present seem to hope that if the leaders in this race get a bigger cut than offered they will in due course follow suit, but the position of this Country's finances is so fragile that this is unlikely to happen, and if it should we would be in for another bout of galloping inflation, and we should all be worse off than before.

However we have no doubt that we shall somehow muddle through as usual, but every time this happens, in the eyes of the world we lose yet more of our credibility; our balance of trade worsens; sterling drops yet further and our imports cost that amount more.

What a dreadful outlook to start the year, but we are the complete optimists in feeling that we can only improve and 1974 will eventually prove to be the turning point to a better future. Wishful thinking? Maybe, but at least let us wish.

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## In our opinion . . .

It is doubtful that in living memory any of us in the United Kingdom have witnessed such remarkable conditions of shortage in the paper trade as we are now experiencing.

One immediately recalls the early days of the last war when rationing first started, but although paper was in short supply the demand was smaller and decreasing each year until the end of hostilities. After the war demand picked up, and supplies were inadequate, but production was also increasing though somewhat belatedly. The only period to be likened to present day conditions was at the onset of the Korean war in the 50s, when shortages were acute and prices escalated. However it was always apparent that this was a temporary phase, and there were adequate supplies available in the world though these could only be obtained at inflated prices. The bubble soon burst, prices tumbled and we entered a period of plentiful supplies. Some people will quickly add too much supply and not enough demand. This was undoubtedly true in the 60s and early 70s, but we are not sure whether this was not better than the period of shortage we now have. Certainly for the converting and consumer industries life is becoming more than difficult to say the least, and the outlook is so horribly bleak.

The shortage of paper is of course world wide, due mainly to a gradual increase in consumption, which in 1973 suddenly turned into a gallop. During this time owing to the depressed price structure many mills in this Country went out of production and some are still being closed. Very little investment has been made in paper mills over the last few years. What has been done has been in the finishing end and the necessary means to avoid pollution, a costly headache for most Mills adding nothing to production. To add to these difficulties the import of paper from mainly Scandinavia, particularly the large tonnage required for the converting trade is drying up. Prices of imported paper, which used to be so attractive to users in this Country, are up to the ceiling of home mills, and in fact taking into account the currency surcharge as a result of the floating £, are frequently in excess of British prices. The Scandinavians are now stating that they can get prices for their products £50/£60 per tonne in excess of those ruling in our market, so there is a strong tendency to curb their exports to Great Britain in favour of Germany, Singapore and Australia.

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# CROXLEY TRANSCRIPT

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Following upon public demand we are changing our stocks of RA2 to SRA2.

For a period we shall be holding both sizes, but when the RA2 is cleared we shall only hold SRA2.

RA2 will only be available ex mill.

*Tanners for Transcript*



Throughout the world the new installations of production now planned can be counted on one hand, and the planned additional pulp production units are less than this. Here is the crunch. Pulp is not keeping up with the present paper making installations and is rapidly approaching famine proportions. No doubt new substances will be coming on the market, but the one which is readily to hand is waste paper. The time has been reached when waste paper recovery should be made compulsory. During the war huge quantities of waste paper were salvaged, and yet today with a far greater usage of paper and board the amount salvaged is minimal. If Councils could be made to collect waste paper they would find that it could even be made remunerative to them.

## The Supply Position

1974 will be the year of rationing and we do not mean petrol and oil only. Paper and Board will be high on the list of items which are likely to be in very short supply. Practically every mill has intimated that supplies will be rationed based in many cases on 1972 consumption. This alone will mean a lesser quantity than the phenomenal sales figures of 1973, though there is plenty of time for Mills to amend these after the first three months. They are, of course, playing for safety as regards their supplies of pulp, and attempting to catch up on the tremendous order book which they have accumulated. If at the end of the first quarter they are assured of adequate supplies of pulp we have no doubt they will increase the quotas somewhere near the 1973 figures, and all should be well.

However, the position is still difficult and printers and consumers will find that they have to accept what the merchant has to offer, and will not be able to stipulate the branded line which they may wish.

The same will apply to envelopes and pockets. Supplies of raw material to our factory are likely to be spasmodic and although quantities may be adequate they are not arriving on dates requested. Programmes are therefore having to be altered and promises given in good faith cannot always be adhered to. Constant switching of machine programmes is not economical or conducive to high production, but we are afraid that for the time being it is a problem we have got to live with and make the best of it.

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In all cases our sales staff are ready and able to help you with approximate delivery dates or alternative qualities if available. They can also tell you the current price of any article, paper, board, envelope or pocket, but the only thing they cannot foretell is what prices will be ruling when the order is executed if it should not be from immediate stock.

Prices are constantly altered, as one Mill after another get permission from the Department of Trade and Industry to raise their prices, and of course there is no longer any consistency in the amount they can add. One thing is certain, as we write this article, and which no doubt will be common knowledge by the time this Journal is in your hands, is a major increase in paper prices early in 1974.

After the many increases in 1973 and this latest considerable jump in prices, we believe that we may be entering a period of greater stability. Should demand tend to flatten out, which we anticipate, we feel that the present tendency of Mills to raise prices every three months or so will stop, and we may experience a stable market throughout the greater part of the year. There are, however, so many ifs and buts about this that we cannot be very definite. So much depends on the fight against inflation, demand and sufficient supplies of raw material. Perhaps the biggest threat to any form of stability is the power supply. Most Mills having changed over to oil are going to find life very precarious over the next few months, and that goes for all of us as well.

## Modern Times

Our Managing Director recently received a letter from a customer in reply to a letter explaining the difficulties of obtaining supplies of paper and stating the latest price increases. The customer finishes the letter with a classic sentence.

"I am always slightly puzzled that in this age of technological marvels, it becomes increasingly difficult to get what one wants."

We feel that this statement sums up exactly what we are all thinking, yet no one can give us an answer.

*page five*



*Miss Yvonne Galli  
Secretary at our  
Leeds Office.*



*Alan Worley,  
Head Warehouseman  
at our Leeds Branch.*



This space was reserved for a photograph of Jeremy Akeroyd, who works in our Leeds Office as assistant to Mike Booth, the Office Manager.

However he was too bashful to have his photo taken, but we can assure you that the space would have looked much better if he had occupied it.

## Leeds Branch

As from the 2nd January 1974 Arthur Harrison relinquishes the position of Manager of our Leeds Branch in favour of Bill Pearson.

Arthur has been i/c Leeds ever since we started our branch activities in that town, and he will be retiring in June 1974. He has wisely felt however that to achieve a smooth hand-over it would be better to relinquish his responsibilities in January, and remain with the branch in an advisory capacity for six months.

Bill Pearson is, of course, well known in the North having been many years with the Company and the take-over will therefore be very smooth.

Mike Booth remains as Office Manager, assisted by Jeremy Akeroyd.

## Credit Terms

For a great number of years we have been extremely lenient in allowing our customers extensive credit, but the time has now been reached when this must cease.

Due to the phenomenally high rates of interest now charged on borrowed money, and the fact that the mills are having to pay cash on delivery for their pulp, they naturally require payment of their accounts in 30 days. If we do not meet their requests we do not get delivery, so if our customers do not pay us according to our terms neither we nor they will receive supplies of paper or envelopes.

We ourselves do not wish to be too harsh on our customers, and are most appreciative of those who pay strictly within 30 days. However from 1st February 1974 we cannot continue to supply customers who owe over 60 days.

*(continued on page ten)*

## Envelopes & Pockets

## Paper & Boards

Consequent upon the fluid situation in raw material prices, it has not been possible to reprint price lists.

The prices ruling at present can always be obtained from our representatives or sales staff.

As soon as the situation clarifies, we will reprint and issue price lists.

This means that your November account must be settled by 1st February and December by 1st March, 1974. The somewhat limited supplies of paper and envelopes which are likely to be available in the early part of 1974, will therefore only be issued to those of our accounts which keep within these terms of credit. We are sorry to have to say this, but we are in business to make a profit, and can only do this if we are enabled to pay the mills according to their terms.

We are afraid that the situation has been reached in which it is a case of pay up or go without.

## Minimum Orders

The cost of delivery is as the result of the oil crisis already increasing violently and as yet we have not felt the impact of higher fuel prices.

We have carefully considered the effect of this projected increase, and have reluctantly come to the conclusion that we can no longer accept orders under £20-00 in value, exclusive of V.A.T.

We must ask you therefore to make up orders, which may be assorted from papers, boards, envelopes and cards, to a value of £20-00 or over. Anything under this will have to be returned.

## CROXLEY SCRIPT

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*Supplies of White Croxley Script, Duplicator and Copies Bond are reduced by 50 per cent. for the first half of 1974.*

*This is due to the vast accumulation of orders at the mill which they are endeavouring to clear and to reduced production while they are replacing a machine.*

*If we cannot supply you with your requirements of this paper, we may be able to help you with an alternative.*

*We will notify you accordingly.*

## Stop Press

As we go to press the energy crisis is upon us and the immediate future looks anything but rosy. Industry reduced to three working days per week is going to feel the impact very quickly.

Paper mills do not as yet know if they can be classed as a continuous process, but in any event can only work up to 2/3rds capacity.

We ourselves can only work our factory 3 days each week, and have no idea at present whether materials will arrive or when.

As with paper mills who quote 'force majeure' we will have to do the same, and promises given in good faith are no longer binding. All we can say is that we will do our best to help you but cannot overcome the impossible.

Although we stated in an earlier article that we hoped that prices would tend to settle down in 1974, we can only give you one more message of comfort (sic!).

As a result of restricted working; higher fuel and delivery costs, and the possibility of further pulp increases in Feb./March, we will see a further sharp increase in paper prices in the early spring. It is obviously a case of "our being so cheerful it keeps us going!".

# TIME IS MONEY

# USE OUR TELEX

**TANNER CRAYFORD 896048**

**TANNER LEEDS 557201**

*It is cheaper and quicker*

**Tanners keep up with the times**