

HIGHLIGHT



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

WHEATSHEAF WORKS,
CRAYFORD, DARTFORD, Crayford 526255
DA1 4BQ

Telex: TANNER CRAYFORD 896048

Leeds Office and Warehouse
CORNER HOUSE,
WHITEHALL ROAD, (0532) 30805
LEEDS LS12 1AQ

Telex: TANNER LEEDS 557201

NEW SERIES No. 96

JANUARY 1976

Tanner's Quarterly Trade Journal

*The Directors and Staff of
R T Tanner & Company Limited
extend to you their best wishes for a
happy and prosperous 1976.*

As we enter 1976 we must surely wonder whether there is to be an improvement in trade and when.

There is no doubt that 1975 has been pretty disastrous for many trades, but no less than in the paper industry. We have throughout the year witnessed a consistent falling away of orders for flat paper and envelopes. There were however some signs that the slump was bottoming out towards the end of the year. We feel that this was caused as much by the clearing of existing surplus stocks, rather than by stimulated demand.

We can never recall a period of excessive demand such as occurred in 1974, during which huge stockpiles were made, with the result that demand subsequently dropped overnight. It is apparent that at a time when every mill and converter worked literally to capacity, the actual consumption increased very little. At the end the money squeeze caused the bubble to burst as it was no longer possible to finance it at any stage in its usage.

Frequently one heard of publishers and printers who stated that they had at the commencement of 1975 a year's stock in hand. It is small wonder that demand disintegrated, and the mills found themselves working at 50/60% capacity.

page one

This lack of orders has naturally led to price cutting, though this has been on a limited scale and largely from imported papers. On the whole the British mills have realised that cutting prices drastically will not help the industry one little bit. You may be lucky in gaining one order at a price which is not going to show a profit anyway, but Joe Smith, the mill round the corner, from whom you managed to take the order, will no doubt be happy to carve you up on a regular order which you have had for years. You and he are both worse off than before.

This cutting of throats has now entered the envelope trade, and we know of two large concerns who are both openly offering quantities of their products at 5% less than what the other firm quoted!

The astute buyer should be able to play one off against the other, and get his requirements for nothing!

We wonder what these suppliers did for the customer during the shortage. Probably nothing, and we hope that his memory is long enough to remember the past and the future.

There is after all a future, however far ahead this may be, and this brings us back to where we started. When are we likely to see an upturn in trade?

We fear that it is still a long way off. We shall see a slight improvement during 1976, and we doubt it will be better for being slight. We certainly do not wish to see an upsurge such as 1973/74, with the aftermath it leaves. A gradual rise during the year therefore, fuelled by the improvement in trading conditions in U.S.A., and possibly the E.E.C. in the latter half of the year. Great Britain will continue to tag along as the poor relation, drawn along solely by the improving trade overseas.

We have stuck out our necks, let us wait and see if we are correct or otherwise.

What about prices? In spite of all mills facing increased costs and low productivity they are not likely to price themselves out of what little market exists. However, with the ever decreasing value of the £ sterling, they are having to pay more for their pulp, and prices must harden and possibly increase a small amount around April.

page two

METRIC MANILLA POCKETS

Light weight but strong

		100,000	50,000	25,000	10,000
229 × 102mm.	9 × 4	3.50	3.54	3.58	3.62
229 × 162mm.	C5	5.50	5.57	5.64	5.71
241 × 165mm.	9½ × 6½	5.95	6.02	6.09	6.16
255 × 178mm.	10 × 7	6.75	6.82	6.89	6.96
270 × 216mm.	10½ × 8½	8.60	8.67	8.74	8.81
305 × 254mm.	12 × 10	11.25	11.35	11.45	11.55
324 × 229mm.	C4	10.30	10.40	10.50	11.60
381 × 254mm.	15 × 10	13.70	13.80	13.90	14.00

£ per 1,000 + V.A.T.

Orders under 10,000 add £0.20 per 1,000.

Tanners for pockets

Post Office News

In the last issue of our Journal when writing about the latest information regarding The Post Office we finished by saying:—

“We say to these Federations and Associations, do not give up the fight. We may have lost the first battle but we have not yet lost the war”.

Since then The Mail User's Association has been formed and had its preliminary meeting. It calls itself an action group and not a talking shop. Good for it!

With an estimated postage account of £50 million per year it will obviously have immense power and has stated that it wishes to work with the present Federations and POUNC.

The Post Office lays the blame fairly and squarely on being labour intensive, and as the largest employer in the country it certainly is, yet a look at productivity might be of interest.

In the early part of the year letters per employee were down 8% on 1969/70, but average earnings had risen from £1,500 to £3,300, yet it is only now following the further reduction in mail, that the Post Office are agreeing to an early retirement scheme for 10,000 men.

The Post Office put their future into mechanised sorting, and huge sums of money have been spent in development, and getting machinery installed. This alone frequently necessitated completely new purpose-built premises for the sorting offices. Every delivery beat throughout the Country had to be coded, publicised and given to the householder. Yet until recently most of these machines were in mothballs, as they were unable to reach agreement with the union on manning.

Our own impression of the offices which were working, was that there was more staff about than when they were manually sorting. To be fair it is possible that these were being used as training centres, hence the excessive labour, but we have no confirmation of this.

Again 1p has been added to the postage to raise £90 million to compensate for the shortfall in the inflation proof pension fund. What private company is able or permitted to do this? The Government of the day when the Corporation was first floated in

page four

1969 handed over 1.45 billion of 2½% Consols. In practice it merely paid over the interest, but these shares are not exactly a great investment for a pension fund, and the result is here for all to see. Why should the public at present posting letters have to make up this gigantic deficit which was caused by stupidity and ignorance of the Treasury at that time? Surely the Government today should be responsible for this. Added to this the recent record of the pension fund does not give much confidence.

A loss of possibly £16 million on borrowing foreign exchange for investment in Paris property development.

A £3.4 million write off for investing in the Lyon empire, which crashed, and sizeable deposits in London and County Securities, and First National Finance Corporation both of which are in trouble.

Not exactly an enviable record.

We feel that these latest increases have really made nonsense of the Post Office forecast. The first class mail upon which they obviously base their main profitability has disintegrated to a point where it is probably an embarrassment, and although second class mail has shown an increase, this is only a small additional proportion of the first class mail changing to lower rate. The overall picture is one of continuous aversion to the use of the post as a means of communication.

Unfortunately the Government inquiry proposed by POUNC and agreed to by the Government has only just been started. They were not able to obtain a chairman with the requisite ability, who would be prepared to pick up this hot potato. Further they seem unable to agree the guide lines upon which this enquiry should be conducted. POUNC has maintained that a full enquiry should be held into the whole organisation of the Post Office, but this is undoubtedly proving embarrassing to the Government. We now hear that Mr. Charles Carter, Vice Chancellor of Lancaster University since 1963, will head the enquiry, though the other members are not yet nominated. The terms of reference are comprehensive, with a full examination of its performance, the use of its resources and assets, and to make any recommendations it may consider necessary.

[Continued on page twelve

page five



Jeremy Akeroyd

Consequent upon the growth of our Leeds office, our office manager Mike Booth has taken over as representative of the Northern area up to and including Teeside. This area was previously covered by Bill Pearson, but the steady increase in our coverage has necessitated splitting off this territory to enable him to concentrate more on his many customers in and around Leeds.

Jeremy Akeroyd who has been assistant to Mike Booth for some years has taken over as Office Manager. Jeremy has always been too bashful to have his photograph in our journal, but we were not to be defeated, and recently obtained a delightful photograph of him though we cannot claim that it was taken recently! We publish it on the page following, and just in case of any misunderstanding Jeremy is the one on the left!

Jeremy sends season greetings to all our customers in the North.

Crayford Telephone

From 24th November the telephone number of our head office at Crayford has been amended by the addition of the figure 5 before the remaining digits.

London subscribers (that is those whose number commences with 01) will dial:—

2 - 526255

All other parts of the country will dial:—

0322 - 526255

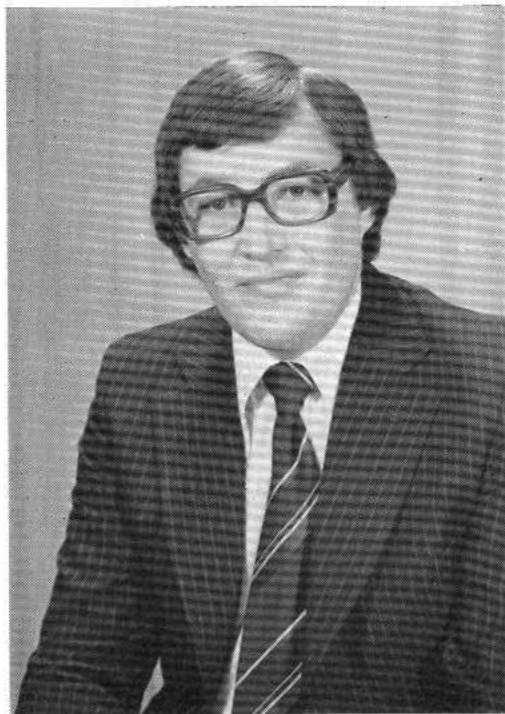
Please notify your telephone exchange operator.

page seven

NEW FACES

Peter D. Tanner

Second son of our Chairman and Managing Director Derek Tanner, joined the Company in September 1975, having completed an HND course in Business Studies.



Anthony Phairs

Joined the Company in September 1975, as representative in Essex and East Anglia.

In our opinion . . .

As we enter another New Year we like to play a rather morbid game, and that is to guess how many of the Companies, which we know in our industry, who will not be around in their present form at the end of the year. We say "in their present form" because we are not considering a large number of bankruptcies, but rather a number of mergers and takeovers.

It is very apparent that the industry in its present depressed state is unable to sustain the number of companies trading therein, and now is the time for a considerable weeding out process.

There is no doubt that several mills will be forced to close down, but in addition to this a number of merchants will find it 'convenient' to amalgamate or sell out. Overheads are becoming somewhat heavy to bear if there is little if any trading around to be done.

No doubt this will leave the trade a lot healthier. For many years there have been far too many people in our trade trying to latch on to any business around, and in fact many not even giving a service. Can you compare the so called merchant with an office, table, chair, telephone and secretary to the modern merchant with one or two thousand tonnes of paper in stock with a large back-up staff of trained salesmen and advisers together with warehouse staff and delivery vans. All this frequently repeated throughout the country to give a wide coverage. No wonder the former can give a good price, because whatever he may put on as profit is virtually his, whereas the latter has to recover large overheads before he starts to earn a profit.

Yet which of the two gives the greater service both to the user and the supplier? The merchant's stock is there for the printer to use at any time, and when the mill is short of orders he is frequently able to specify tonnage to keep the wheels rolling.

Surely therefore in your own interests it makes sense to support your stockist merchant. Often without his stock you would be in difficulties, yet you cannot expect him to survive if you place your large tonnage with an agent, and buy bits and pieces from the merchant. Be fair and give the merchant a break. We are always open to bargaining, but will also ensure you get a fair deal.

PURLEIGH BOARDS

These well known pasteboards are now coated both sides and are eminently suitable for letterpress, litho and silk screen printing.

If you use pasteboards or art boards for price tickets, display cards, showcards, calendars or mobiles, you should try Purleigh Boards.

For quality and price they are unique. May we send you samples?

PURLEIGH BOARDS

ROYAL 51 × 63.5 cm.

Gm ²	Microns	Under			
		1,000	1,000	2,500	5,000
270	340	5.03	4.70	4.39	3.90
400	550	7.40	6.95	6.48	5.79
460	650	7.95	7.42	6.89	6.36
510	740	8.80	8.22	7.63	7.04

SRA1 64 × 90 cm.

Gm ²	Microns	Under			
		1,000	1,000	2,500	5,000
270	340	9.00	8.45	7.88	6.78
400	550*	12.27	11.45	10.63	9.81
460	650*	14.13	13.19	12.24	11.30
510	740*	15.69	14.64	13.60	12.55

£'s per 100

Packed 100 sheets except * packed 50 sheets

Tanners for Boards

Stop Press

The Post Office has at last issued instructions regarding the new system of overseas postings, called "Overseas Post. Sealing of Bulk posted Printed Paper and Small Packet items".

Clearance has been obtained for the posting overseas of printed paper rate items in envelopes or pockets which are sealed down. The restrictions are quite clear and are:—

1. The obtaining of an annual licence of £10 from Head/District Post Offices.
2. The permit number and Head/District office to be printed T.L.H.C. under the printed paper indication.
3. A minimum posting of 250 items per posting, at least once per year.
4. Samples of the postings should be available for inspection at Head/District Post Offices.

The service will be available from 5th January 1976, and permits application forms will be available in December. To allow the printing of envelopes and pockets in time permit numbers may be issued prior to December at the discretion of Head/District Postmasters.

Continued from page five

Unfortunately the Industry Secretary Mr. Eric Varley anticipates that the enquiry is unlikely to report in less than one year by which time we fully expect that the Post Office will be losing as much as it was doing before the recent price increases.

Publishers

You spend thousands of pounds producing your journal and yet frequently send it out wrapped in any old tatty paper.

You are living in an era of specialisation. More and more publishers and printers are turning to the specialists for their postal wrappers. Why not join them and ask us to quote for your requirements?

Certainly your wrapper will be better and you never know, we could save you money.

*Tanners —
the wrapper specialists*