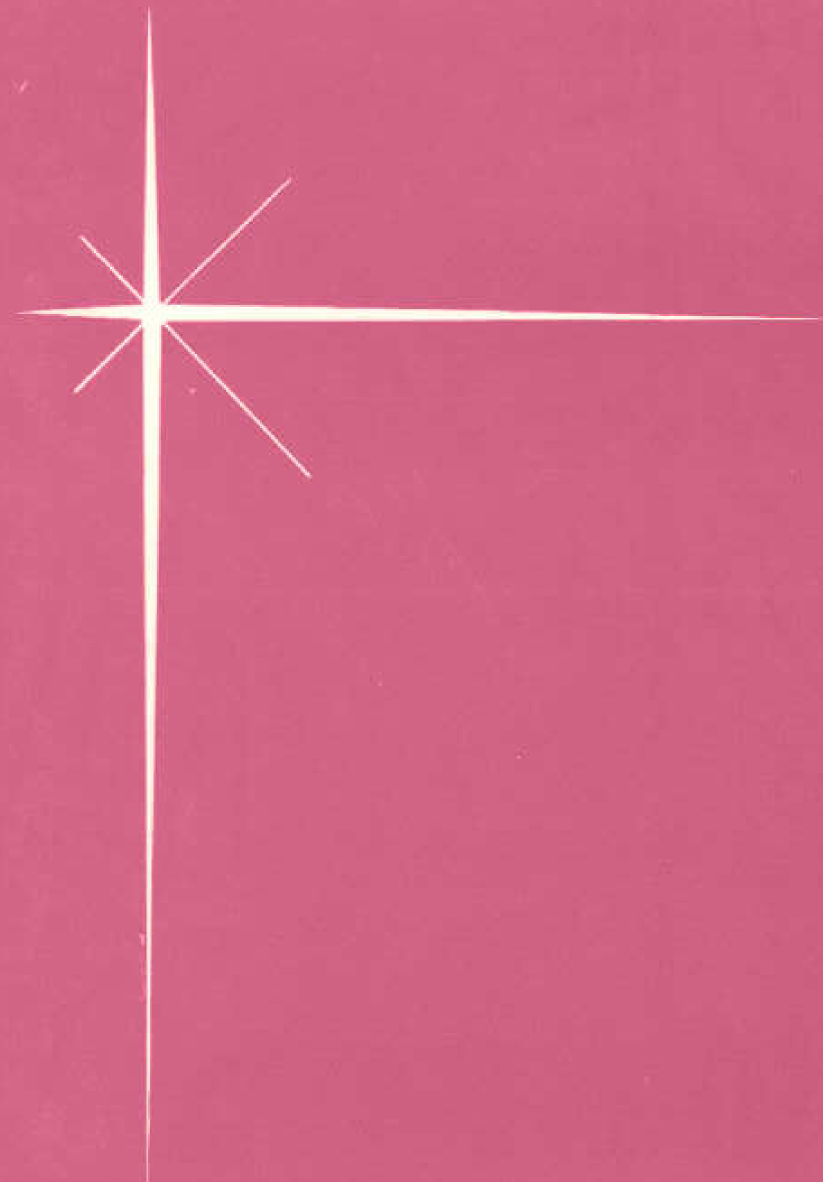

HIGHLIGHT

The House Magazine of

R. T. TANNER & CO. LTD.

WHEATSHEAF WORKS,
CRAYFORD, DARTFORD, Crayford 526255
DA1 4BQ
Telex: TANNER G 896048

Leeds Office and Warehouse
CORNER HOUSE,
WHITEHALL ROAD, (0532) 30805
LEEDS LS12 1AQ
Telex TANNER G 557201

NEW SERIES No. 105

April 1978

Tanner's Quarterly Trade Journal

In October 1975 in the issue No. 95 of our Journal we reprinted an extract from a study "World Paper and Board" published by a Cleveland based group Predicasts Inc., which is reprinted.

This forecast a world consumption of paper and board of 266 million tonnes (excluding fibreboard) in 1985, compared with 138 million tonnes in 1972, an annual increase of 5.2%. The report further states that world consumption of paper and board in 1972 averaged 37 tonnes per 1,000 population. The disparity between countries being large, 263 tonnes for the U.S., 208 tonnes for Finland, 20 tonnes for Latin America, and 4 tonnes for Asia (excluding Japan).

The forecast for 1985 world consumption is 56 tonnes per 1,000 population. The increase per year will be U.S. 3.5%, Japan 7.9%, EEC 5% and USSR 6.8%.

The growth rate of the world's consumption of printing and writing paper is projected at 5.8% per annum approaching 62 million tonnes in 1985.

The shortfall in pulp supplies is expected to be met by Canada and Scandinavia, aided from 1980 onwards by the USSR and Brazil. It is also envisaged that the use of re-cycled paper will contribute increasingly to help ease the strain on pulp supplies.

This is all most encouraging news, and at this time would sound very much like a fairy tale on our hard pressed mills.

Whilst not appearing to be derogatory to such knowledgable experts, we feel that the figures are unlikely to be attainable in this limited period.

Although we do not wish to appear smug we feel that our comments were justified, and a great deal more polite than we could, by hindsight be today.

A great deal is happening in the world to inhibit the growth of paper. Plastics spring to mind, and above all the electronics industry, both of which are eating into the traditional uses of paper. Data viewing is in its infancy yet what may happen in the years to come? Languages are taught by listening to records, not by reading lesson books. Cassettes and visual slides are now in common use in schools where not so long ago instruction books abounded.

It is therefore all the more welcome to hear that the experts at Pira together with the Printing and Publishing, and the Paper and Paper Products Industry Training Boards are going to do some research and development into the future of paper and print in 10 years' time.

Some people will say that this is pure crystal gazing, and no doubt much of it will be. But on the other hand some attempt should be made to visualise the future. From the training boards' positions together with the colleges of further education it is quite possible that they are training people at present for skills and jobs which may not be in existence in a few years.

No doubt that this will be an on-going exercise, but at least a start is being made on it, by experts whose record to date is second to none.

In Our Opinion . . .

Although we are being fed with news from many quarters that the economy is picking up, little if any of this is seen in the paper making industry. This state seems to be current throughout most of the world and although the paper industry appears to be improving in the United States, much of this may be at the expense of Canada, who lost a great deal of their home market as a result of their disastrous strike, when the Americans stepped in with supplies on condition that the users signed up a three year contract.

More and more paper is being imported into this country, but most of it at a price a great deal less than it can be produced here. The extraordinary situation is that these importing countries, Scandinavia, EEC, Spain, Brazil, Canada are all losing money on every tonne sent to this country, and are still reducing prices. The problem seems to be that paper making is a continuous process and it is not possible to turn on or off production. If production is halted due to lack of orders it virtually means that the mill is closed for good. Again the overseas areas from which paper frequently comes is more often that not the main employer of labour and also the main producers of overseas currency. The temptation is therefore great for governments to step in and subsidise the mills.

As a nation we should not be sanctimonious about this position, and wring our hands saying that it is all unfair, which it is. Remember that are we not doing exactly the same with our shipbuilding industry and in some ways the steel industry?

The latest imports that we have heard of is in the packaging industry where tonnage is coming in at prices not a great deal more than the price of waste now being offered.

What can be done to prevent the paper making industry in this country being bankrupted? We would consider practically nothing, other than stopping blatant cases of dumping, such as the case referred to above. The industry in this country is not of sufficient size in manpower for government to take any overall action, in fact at the request of the B.P.I.F. it is increasing import quotas for certain grades. Production is spread throughout the land, so that unlike shipbuilding, steel or textiles, large redundancies or closures would not bring any particular area to its knees.

The paper industry in this country has slimmed down considerably over the last twenty years, and it will have to go on slimming, becoming we hope more efficient and cost conscious in the process. At least the industry is not losing money on the scale of most of the overseas mills, and come the long awaited upturn in consumption, we should be in a reasonable position to take advantage of it. The 64 thousand dollar question is when?

The Fairer Sex

In this age of equal opportunity we are in this issue of our Journal featuring some photographs of our female staff.

Let us agree at once that they are at least more glamorous than those in our last issue, and anyway it is their turn.

We regret that Mrs. Diane Drummond, who joined the company as secretary to our Managing Director 17 years ago, and who after a few years' break having her family returned as a part time secretary, has had a serious accident.

At the end of January in crossing a road in London she walked between two parked cars, when a third car out of control drove the two together sandwiching Diane and some other passers-by between the cars. She sustained a badly fractured thigh, and will be in hospital for several months.

We can but wish her a full recovery, and hope to see her back again with us as soon as possible.

Kentish White Boards

The sales of our Kentish Boards continue to rocket.

Not only is the price realistic, but the quality is of the highest standard.

We are frequently receiving reports from printers that it is the best board they have ever used both for letterpress and litho.

Small wonder therefore that we are hard-pressed to keep stocks readily available. That is our problem, not yours!

GOOD NEWS — REDUCED PRICES

KENTISH WHITE BOARDS

		Under 6,000	6,000	12,000
200 Microns—2 sheet				
SRA2	— 450 × 640 mm.	£25–40	£23–60	£21–90
Royal	— 520 × 640 mm.	£29–30	£27–30	£25–30
Postal	— 570 × 730 mm.	£36–70	£34–10	£31–60
SRA1	— 640 × 900 mm.	£50–70	£47–20	£43–80
230 Microns—3 sheet				
SRA2	— 450 × 640 mm.	£29–30	£27–20	£25–20
Royal	— 520 × 640 mm.	£33–80	£31–50	£29–20
Postal	— 570 × 730 mm.	£42–30	£39–40	£36–40
SRA1	— 640 × 900 mm.	£58–50	£54–50	£50–40
250 Microns—3½ sheet				
SRA2	— 450 × 640 mm.	£32–10	£29–90	£27–70
Royal	— 520 × 640 mm.	£37–20	£34–60	£32–00
Postal	— 570 × 730 mm.	£46–50	£43–20	£40–00
SRA1	— 640 × 900 mm.	£64–20	£59–80	£55–40
280 Microns—4 sheet				
SRA2	— 450 × 640 mm.	£37–90	£35–30	£32–60
Royal	— 520 × 640 mm.	£43–80	£40–80	£37–60
Postal	— 570 × 730 mm.	£54–70	£51–00	£47–10
SRA1	— 640 × 900 mm.	£75–80	£70–50	£65–20
300 Microns—5 sheet				
SRA2	— 450 × 640 mm.	£40–10	£37–30	£34–60
Royal	— 520 × 640 mm.	£46–30	£43–10	£39–90
360 Microns—6 sheet				
SRA2	— 450 × 640 mm.	£50–70	£47–20	£43–70
Royal	— 520 × 640 mm.	£58–60	£54–60	£50–60

(Postal & SRA1 sizes available in 300 & 360 Microns to Special order)

per 1,000 Boards — Packed 200's

Tanners for Boards

Mrs. Sheila Jarvis joined the Company in 1963 in the Production Dept. Left to have her son and heir, rejoining in 1975 as part time secretary to the Managing Director.

Mrs. Diane Drummond joined in 1961 as secretary to the Managing Director, and now fulfils that post part time.

Miss June Hacker joined in 1970 as N.C.R. machine operator. Now in charge of the Accounts Department.

Mrs. Pat Gilbert joined in 1975 as Wages and Bought Ledger clerk.

Envelopes

How many mailings have you received where the Mailing Shot has been well produced and printed, and then been stuffed into an ill fitting, Brown Manilla envelope, thus arriving in a very poor state?

This is like a person dressing up to go out in his best suit and then putting on his old gardening overcoat. An unattractive envelope or pocket downgrades the image of the product even before the message is read.

Depending of course on the type of mailing, the envelope can be used to excite interest in your product and offer before it is opened—by printing a message on the outside. Why not let us quote for the envelopes or pockets for your next Mailing shot?

Consequent upon the general wages increase in the trade due in April, and to the overall rise in other costs we shall be forced to raise the price of our Envelopes and Pockets in line with our competitors.

We are endeavouring to hold existing prices as long as possible, but there is a limit in what we can do, and you would be advised to order your requirements without delay.

Orders of Stock items placed prior to notification of increases will be accepted at present prices.

Stocks of Banker envelopes are reasonably good, but Pockets and Windows are generally tight and early ordering is advisable.

Probably the largest single factor in costs is that of distribution. Everyone who runs a car realises the increase in costs which has occurred, but this is made very apparent to us when we analyse our transport costs. From 1961 to 1978 they have increased by over 400%.

Postal problems

For many years we have criticised the Post Office on every possible occasion, but we must in fairness report a remarkable effort on their behalf.

In February one of our country representatives telephoned one of our suppliers who shall be nameless for a special sample to be posted to him.

The address was as follows and was spelled out at great length: —

21 Beachampstead Road,
Great Staughton,
Huntingdon,
Cambs PE19 4DX.

The pocket was addressed: —

21 Beachamstead Road,
Great Sturghton,
Hampington,
Cannes PE19 4DX.

No alteration had been made by the Post Office, and it goes to prove firstly the stupidity of the sender but secondly that the postal code, on which so much labour is expended, really does work. It would however have been pleasant at this time of year to go to the South of France to collect it!

3 P's I.T.B.

Following the publication in the last issue of our journal of the amusing skit on the Industry Training Board we received a letter from Mr. John Elliott of Messrs. Elliott Baxter and Company Limited which we hasten to publish, together with a copy of our reply.

In spite of the fact that Elliott Baxter and Company Limited are well known competitors of ours, we humbly apologise to John Elliott and hope that he was able to obtain some gin to go with the lemon!

We can assure him that the authorship of the original glossary of Training Board Terminology will be reported via this journal to the Paper and Paper Products Industry Training Board for the requisite action suggested by him, to be taken if thought fit!

JAE/JN 17th February, 1978.

M. Kerlogue, Esq.,
Messrs. R. T. Tanner & Co. Ltd.,
Wheatsheaf Works,
Crayford, Dartford,
Kent, DA1 4BQ.

Dear Mike,

With every day I have been expecting a cheque—or perhaps a modest basket of groceries—from your company settling my royalties as author of "Industry Training Boards" as recently reprinted, without permission, in your house magazine.

Speaking as a citizen of the United Kingdom, I think your action in publishing such material to be both subversive and irresponsible—and, unless the author receives some recognition, you may well be reported to HM Government (in triplicate).

Yours sincerely,

John Elliott,
Managing Director.

ADPT/SJ 21st February, 1978.

John Elliott Esquire,
Elliott Baxter & Company Limited,
The House of Mr. Ebb,
Clock Tower Road,
Isleworth,
Middlesex TW7 6DQ.

Dear Mr. Elliott,

I thank you for your letter dated 17th February sent to Mike Kerlogue, which he has kindly passed to me as the editor of our journal Highlight.

I received a copy of this scurrilous document referred to, from two sources over the last few months, and on neither occasion was the author's names disclosed, which gave me the impression that he feared for his safety, and wished to remain anonymous.

Accordingly as a member of the Paper and Paper Products Industry Training Board, and with an equally warped sense of humour I had no hesitation in publishing.

I will make sure that in the next issue of Highlight the full correspondence is recorded, and meanwhile I have pleasure in enclosing our royalty to you for reprinting illegally your masterpiece— one lemon!

Yours sincerely,

A. D. P. TANNER, Managing Director.

Where do we go from here?

We think that all of us are worrying about prices, whether they will fall, stay put or in due course continue their upward curve. In the long run you can put your money on the last suggestion.

However at present with huge over productive capacity and as a result of low demand there are immense stocks of pulp. This leads at once to price cutting by companies trying to liquidate stocks and keep machines running at all costs. Hence certain lines particularly imports from abroad are being offered at knock-down prices. This in our opinion cannot last for long, and we consider that prices generally will remain consistent till the last quarter of the year, and even then any movement would be governed by demand. Those countries now selling paper at knock-down prices may be considering an increase in March/April. In fact we are confident that the price of paper has at last bottomed out.

Most mills not only in this country but virtually throughout the world would relish a price increase to get them on to a more realistic profit margin, but with demand stagnant, or only increasing at a snail's pace, they dare not move. In spite of cheaper prices for pulp and waste, mainly due to the improvement in sterling, the mills have been faced with a wages increase, and along with every other industry overheads continue to rise. Paper mills are very heavy users of power and water and both of these are not exactly cheap.

Apart from these basic costs, inflation is catching up and the long term outlook is for a hardening of prices with possible increases in September of this year. The whole key to this is demand. Any general increase in paper usage could trigger off a rise as early as July this year, or alternatively could defer it till January 1979.

Your guess is as good as ours.