HIGHLIGHT

The House Magazine of

R. T. TANNER & CO. LTD.

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Tanner's Quarterly Trade Journal

Where do we go from here? We have had an election and we have changed a government, and we have fresh ideas and fresh management.

We must now wait and see what results are likely to emerge. Do not imagine that these are going to happen immediately. It is one of the failings of democratic government that changes take their time, yet in the past any dramatic instant changes have generally been for the worst.

This issue of our Journal will be written before the budget, but at least we can be sure that there will be a reduction in direct tax, even though this will doubtless be put on to indirect tax. However we have long been against the high level of direct tax, as it has stultified the will to earn, work overtime, or accept extra responsibility for a normal increase. How often have we heard or said the remark "I don't want that job, guv'nor for that extra, I shall only see half of it". Meantime moonlighting has become the in thing, be it car repairing or servicing, house decorating, gardening, anything where payment can be obtained in cash. Can anyone be blamed for this situation? Certainly not, because so long as £1 became in 5 years valued at 50p as a result of inflation, and this was taxed at a minimum of 33⅓% it is small wonder that we like Oliver Twist asked for more.

Thank goodness we are not politicians. Somewhere, sometime they have got to get us out of this vicious circle, and they cannot start too soon. Unfortunately many corns will be trodden upon, and many sacred cows will have to be sacrificed. But if this country is going to survive as a manufacturing unit, and that it must do, it can only accomplish this with a rate of direct tax which is reasonable and not destructive.

In our opinion . . . . .

We have been taken to task by one of our customers for not publishing in the last few issues the article entitled "In Our Opinion". We would say in mitigation that we have voiced our opinions under various articles regarding supplies and prices but will revert to writing under the old heading, as surprisingly to us it is read and commented upon.

At present there seems no end to the many increases in prices and as we go to press several Mills are announcing their second or even third increase since the end of last year. It seems quite certain that the statement we made in the last issue that prices between the latter end of 1978 to the same period in 1979 will show an increase of 25 per cent. It is within the bounds of possibility that we have under-estimated and that this is likely to be exceeded. Unlike the last time when prices soared ahead it is not caused by a shortage, official or false, because although Mills are busy, there is plenty of paper around. The only really long delivery quoted is for Coated papers which are in very short supply.

Pulp prices have of course hardened considerably, but there are many other factors which have hit costs at the same time; Chemicals, Oil, Power, Wages to mention but a few, but the heavy increase has been Transport. As stockists merchants we know that distribution has played havoc with one's estimated costs, but you can multiply this many times over for a Mill sending out hundreds of tonnes every week. This factor is not likely to diminish, but with the noises coming from the Middle East, it is plain that transport costs are liable to increase substantially during the rest of this year.

So where does all this leave us? With higher prices for printed goods for certain, but will this curtail demand? This country has over the years become so punch drunk with ever increasing prices that these have not had the impact as previously. However there must come a time when the article no longer warrants the expenses and demand flags. We do not believe that we have yet reached this position and probably there will be only a small down-turn in demand. However the daily newspapers, vast users of newsprint, have as a general view seen diminishing sales as a result of constant price rises. Of course some have increased circulation at the expense of others, but the overall total is a minus.

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The next most important users are magazines which continue to proliferate, particularly trade papers. These are mostly sustained by advertising, which at present shows no signs of diminishing. Providing therefore that costs can be kept within reason, there seems no fear that this market will lessen.

Books continue to sell, though even paper backs are no longer cheap, but with more leisure time available reading appears a favourite hobby.

Business forms and stationery will continue to grow as in spite of all predictions from the pessimists, general trade continues on a very level course.

Short therefore of a dramatic down-turn in trade or confidence, as a result of some unforeseen catastrophe, we feel that we have no immediate cause to fear, and that we shall all weather the increases in our stride.

That unforeseen or foreseen catastrophe may be nearer than we think. The petrol and oil shortage is becoming a reality, and unless supplies are maintained for industry, particularly transport, there could well be a curtailment of production. The newspaper pundits are already starting to talk of a worldwide recession as a result, though we do not go along with this scaremongering. We do however realise the seriousness of the situation, and it makes forecasting even more of a lottery than ever. Perhaps we should revert to the stars again and see what they have in store for us!

Envelopes

Believe it or not our production of envelopes and pockets is up and quite substantially. It is of course nowhere near our potential, but we are striving to attain this as soon as possible.

We have the plant and we have the engineers and adjusters, but we require more shift operators. These have to be trained for a short period, which means that experienced trainer operators have to be taken off production temporarily, which in its turn means curtailing output. However gradually the position will ease, and we look for another 25% increase within a few months.

Meanwhile you our customers are being very patient and we are doing our very best to keep our regular users supplied somehow, even though it may not be exactly what you require.

There is no doubt that the envelope trade is in a most buoyant situation, due to a considerable upsurge in demand, and most manufacturers suffering from a shortage of labour. How long will this last? We manufacturers as a whole are worried that we may be in the 1973/4 situation in which customers ordered the same amount from several sources in the hope that one would oblige, and then they could cancel the other orders.

We have been very careful not to take on business from quarters which we have not supplied before in one way or another, and we know that our competitors are attempting to do the same. We all realise that it is useless having enormous order books, which can be cancelled at the first sign of a crack.

The great test will come with the advent of the new and increased Postal Rates by the end of July. Will these have the usual effect of dampening down demand? The anticipated increase of 1p on the lowest weights on both first and second class mail mean an average rise of 11 or 14% respectively. As weights increase the rises in costs level out at $12\frac{1}{2}$ and 13%.

Normally there is a reduction in postage following any increase of at least 5%, even more after the last time when the increase was substantial. We have now had a period of stability for over 2 years with no increases, and it is possible that the anticipated rise will not be sufficient to affect sales.

The envelope market is therefore very volatile when looked at from any angle. One of these days we hope that we can stop sitting on the fence ready to fall either side and they say "I told you so". We would like to sit down, calmly survey the situation and then pronounce an opinion on this and that which is or is not likely to occur over the next year or two.

In these modern times this is unfortunately unlikely to happen, and perhaps our only method of obtaining early warning news is to follow Busby's example and sit on the telephone wires and listen in.

As from Monday 4th June the prices of all our envelopes and pockets were increased by approximately 5%. This follows the rise in raw materials, wages, and overheads, particularly transport. We wish that we could say that these prices would hold for a period, but the future as regards paper prices looks set for further rises in the Autumn.

A view of some of the additional plant we have installed this year

Eric Light

When we took over the envelope making plant of Berry, Ede & White Ltd. on the end of 1978, we were fortunate in acquiring the services of Eric Light, who had been their representative for over ten years covering a large area in parts of Sussex, Hants, Dorset & Wiltshire.

Previous to this, Eric Light was employed as a representative by the well-known envelope makers Thorburn Bain & Co. Ltd. covering most of the South of England.

Although well known and respected throughout the area he was somewhat restricted when Berry, Ede & White gave up running stock lines some few years back and concentrated on bespoke large volume runs only.

For our Company he is covering virtually the same territory, but has, to support him, our stock envelope and pocket range, though we are all aware that this is somewhat restricted until we reach full production. He is also able to offer our complete paper and board range to complement his activities.

He lives in Alresford, conveniently in the centre of his area.

Two more cheerful envelope machine operators

Miss Janet Hoare

Mrs. Sheila Sallerna

Are you being served?

With the considerable expansion in our Company, we have received several complaints of delays in obtaining answers from our telephone exchange. Not only are the eight incoming lines frequently fully taken up, the Crayford and Dartford exchange lines are also overloaded.

Accordingly we are installing three additional lines which will be on key and lamp units direct to our sales office. These will not go through our exchange at all, but direct to our sales desks.

By the time that this Journal is printed these units should be installed, and if you wish to order or have queries on orders already placed for paper, boards, envelopes or pockets plain or printed you are advised to phone:—

CRAYFORD 56626

Please notify your telephone operator of this new number. It is our intention to give you the quickest and best telephone service possible, but it is stressed that this number can only be used for orders and order queries.

All other calls must be made through our exchange on the old number CRAYFORD 526255.

We enclose with this Journal a card containing this information and would ask you to hand it to your telephone operator.

KENT ART

The new Art paper to use when price is all important

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69.3	56.7	52.5p per Kg.

Stocked in SRA 2. 450 × 640 mm.

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85 gm² 24.5 Kgs	£16.98	£13.89	£12.86
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115 gm² 33.1 Kgs	£22.94	£18.77	£17.38

per 1000's

Other sizes available for making.

Remember 85 gm² Kent Art has the same opacity as other coated papers in 100 gm²

The text of this issue is printed on Kent Art 100 gm².

Leeds

Our Leeds office and warehouse duly completed its move in May and are very happy at the result. Not only is there considerably more space, but it is a single storey building making loading and unloading all that easier. The snag with the old warehouse at Corner House, was that nearly all stock was held on the first floor and all goods had to be carried by lift both in and out. Also fork-lift trucks could not be utilised upstairs, with the result that pallets were unable to be stacked two or more high. Space is therefore no longer a deterrent, and already the benefits can be seen from the wider stock range and swifter handling.

On May 22nd the Yorkshire Evening Post carried a full page display of the Company's move, and this was well supported by the Mills and suppliers who took space to further the venture. We are very grateful to our many friends in the trade who support us as we support them.

Our new address in the North is:—

R. T. Tanner & Company Limited
Wheatsheaf House
2 Lockwood Close
Leeds LS11 5UU

Telephone Leeds 703316. Telex Tanner G. 557201. Lockwood Close is a turning off Middleton Grove which is itself a turning off the Dewsbury Road, and customers would be very welcome to visit us there.