

**A History of
Kimberly-Clark Corporation
in the United Kingdom
1927 - 1968
by Syd Emerson**

**Part 2
1952 - 1958**

Chapter IV We Convert in England 1952 - 1955

p21

Provided by Kimberly-Clark Retirement Association

OCR by British Association of Paper Historians 2017

www.baph.org.uk/forum/topic/kimberly-clark-aylesford-mill/

Chapter IV

WE CONVERT IN ENGLAND

1952 - 1955

I see from a report of the Annual General Meeting held on 23rd September, 1950 that tentative plans to produce Cellulose Wadding through the medium of Albert E. Reed & Co. Ltd. were close to being finalised.

In 1950 Ernst Mahler and Lew Pfenner came over to this country with the express purpose of entering into negotiations with one of the principal British paper mills, with a view to manufacturing cellulose wadding for conversion into Kleenex tissues, Kotex sanitary towels and other cellulose wadding products. Numerous visits were paid to the three main companies involved, Bowaters, Reed and Wiggins Teape, finally it was decided that the tie-up should be with Albert E. Reed & Co. Ltd. This choice I believe was made for two reasons: firstly that Colonel Sheldon the Managing Director of Reed's and Ernst Mahler had an immediate rapport, and secondly the majority of the individuals contacted in Reed's were younger men and appeared enthusiastic about getting on with the job.

On going through one of the Reed mills at Aylesford with Colonel Sheldon, Ernst Mahler inspected the No. 8 Machine and immediately suggested to the Colonel that it could be converted to produce cellulose wadding, this was agreed and steps were taken at once to have Reed employees

As I have said, the turnover for the full year 1953 amounted to £479,000. 1954 was £648,000 and due to a change in our accounting year end from 31st December to 30th April, the next figure I can quote is for the sixteen months 1st January, 1955 to 31st April, 1956 which totalled £1,516,000 for the 16 months.

The quantities sold during these three individual years were:

	<u>Kotex</u>	<u>Kleenex</u>	<u>Delsey</u>
	Gross	Gross	Gross
1953	13,180	39,000	2,544
1954	15,980	54,600	7,350
1955/56	41,207	122,639	14,538

The lines marketed were Kotex with loops for Domestic sales packed in cartons of twelve, fives and singles; and twelves and tens, with and without loops for Export. Kleenex both Domestic and Export were packed 150's, 200's and 300's and Pocket Packs. Delsey, which at that time was produced to the American specification both as to size of sheet and quality of tissue, was sold in single and double roll packs.

The Delsey tissue produced in those days was, in fact, found to be unsuitable for the British market since the size of sheet was smaller than competitive brands and the tissue being the same soft quality as Kleenex, was well below competition in strength.

go to our parent company in America to study the production of cellulose wadding and engineers from Neenah came over to take care of the conversion of No.8. In the meantime, the necessary agreements between the two companies were being drawn up.

The first agreement to be signed with Reeds was on 8th December, 1950, the basis of which was that Reed would convert their No.8 Machine to produce cellulose wadding for sale to Cellucotton Products Limited only, Cellucotton in turn agreeing to take the full output of this machine.

The timing of the production of wadding was intended to coincide with the start-up of conversion at Larkfield, this unfortunately did not quite work out as No.8 commenced production in October whereas converting was delayed until the following March.

The start-up of this No.8 Machine was truly an occasion. Rodney Sheldon, who had spent some time in the United States studying cellulose wadding production and Johnnie Truscott from Neenah, I remember were mainly responsible for this project, in the final few days they were constantly on the job, snatching sleep in turn at odd times.

During this six months period our main problem was to obtain storage space for this production in England, and shipping space for the quantities required by both our associate companies in Australia and South Africa. The immense amount of destruction sustained by shipping and

warehouse buildings during the war had hardly begun to be replaced. A partner of Gerhard & Hey, a shipping company that we had used many years previously, was good enough to put a member of his staff at our disposal full time to assist on both these problems. We also had the help of the Reed Shipping Manager. This was an extremely costly proposition, as storage space on occasions had to be taken as far away as Manchester. This problem being my responsibility I now feel was one of, if not the toughest proposition I have had to handle. That No.8 Machine just would not break down during those six months!

In view of the fact that Cellucotton Products Limited was an American company subsidiary, it was necessary to obtain Board of Trade sanction to set up a manufacturing operation in this country. Treasury permission was also required in order to obtain loans from our American parent company and The First National City Bank in London. The Capital Issues Committee were also approached and their blessing was required for the issue of shares against the import of machinery and at that time a small amount of cash. In making representation to the various Government authorities involved, our principal requirement was to prove that the set up of this business must be of overall benefit to England, particularly from an export angle.

The number of meetings and the negotiations generally which took place over a considerable period were so great that I will not attempt to give any details. Suffice it to

say that we did convince the people concerned that the manufacture of cellulose wadding and converted products in this country would show an overall benefit in dollar savings to the sterling area through our export of wadding to Australia and South Africa, and finished products to a number of other foreign markets presently supplied by our American company. Both Ernst Mahler and Lew Phenner worked unceasingly on this from start to finish.

Our licence to import converting machinery was granted on 18th August, 1950, this covered nine machines:

- 3 Kotex Pad Machines
- 1 Kotex Fluff Machine
- 2 Kleener Interfolders
- 3 Kotex Looping Machines

the value being £59,908. 19. 6d.

The planning of our converting factory layout and the purchase of all the ancillary equipment required was the next task. Neenah sent over Charlie Greiner to undertake this assignment, and if one remembers that equipment of all kinds was in short supply, it was no mean task - well done Charlie!

In 1952/3 we increased the capital of the company from £17,000 to £100,000 by the issue of 59,909 £1 shares to International Cellucotton Products Company in exchange for converting machinery supplied and 23,091 shares for cash. At the same period we were permitted by H.M. Treasury to borrow on overdraft from the First National City Bank of

New York, London Branch, the sum of £135,000 and International Cellucotton Products gave us a loan of a similar amount.

In view of this restriction on cash facilities which had to be strictly adhered to, it will be appreciated that every expenditure had to be very closely controlled, Reeds however helped considerably on this by allowing us to hold over our monthly payments for wadding from time to time. I remember several occasions when Derrick Croxon would require what we would now consider low priced equipment, only to be told our cash position just could not meet it.

Reeds, who had been working closely with us on all our government negotiations and who had applied for a building licence to house our converting equipment, which licence was refused in view of the great shortage of building materials at that time, agreed to let us have a portion of their No.3 Mill which was then in the course of construction. The area allotted to us was known as No.3 Mill Annexe, with this we were given a further area of approximately 12,000 sq.ft. for storage.

The equipment as licensed was shipped from America in December 1951 and January 1952. The converting operation was carried out by Reed employees, our present Managing Director, Derrick Croxon, was appointed Manager of this project with Les Puxley, now our Commercial Manager, responsible for all administrative and services functions. Charlie Germany came over from Reed to help with the inst-

affiliation and has remained with us ever since. Two members of the American staff experienced in converting were sent over to work with Derrick to give him the know how.

In March 1952 our first English produced Kotex sanitary towels and Kleenex tissues were ready for sale. In looking back on this converting operation with its make-shift accommodation, the most lasting impression I have is of the amazing team spirit amongst the original employees in that area, working hours, the day of the week, or types of work to be done by individuals were never questioned, everyone appeared to have just one object, the success of the plant. Derrick's leadership plus the fact that he would take off his coat and get down to it with the boys was responsible for this spirit.

With Reed No.2 Machine producing Cellulose Wadding at the rate of 85 tons per week and the converting factory having mastered numerous problems, not only learning a complete series of new operations but also taking care of a number of modifications to the machines imported from America, and also to equipment purchased in this country, I think we can say that the re-launch of Kotex and Kleenex in the British market really started on 1st January, 1953.

The rapid build up of the company from a turnover of £473,550 in 1953 to £12,930,729 in 1967/68 can, I think, be best expressed by taking three year periods with a mention of the major happenings which influenced this expansion.

allation and has remained with us ever since. Two members of the American staff experienced in converting were sent over to work with Derrick to give him the know how.

In March 1952 our first English produced Kotex sanitary towels and Kleenex tissues were ready for sale. In looking back on this converting operation with its make-shift accommodation, the most lasting impression I have is of the amazing team spirit amongst the original employees in that area, working hours, the day of the week, or types of work to be done by individuals were never questioned, everyone appeared to have just one object, the success of the plant. Derrick's leadership plus the fact that he would take off his coat and get down to it with the boys was responsible for this spirit.

With Reed No.6 Machine producing Cellulose Wadding at the rate of 65 tons per week and the converting factory having mastered numerous problems, not only learning a complete series of new operations but also taking care of a number of modifications to the machines imported from America, and also to equipment purchased in this country, I think we can say that the re-launch of Kotex and Kleenex in the British market really started on 1st January, 1953.

The rapid build up of the company from a turnover of £478,550 in 1953 to £12,930,729 in 1967/68 can, I think, be best expressed by taking three year periods with a mention of the major happenings which influenced this expansion.

11 year 1953
due to a change
to 30th April,
12 months 1st
ed £1,516,000

12 months 1 year

Debt
Gross
2,544
7,350
14,538

Domestic
and
200's
line
of
table

fact,
size
area

Australia and South Africa were also supplied with their requirements of cellulose wadding for the production of Kotex and Kleenex in these countries, in 1955 for instance, Australian total wadding requirements amounted to approximately 600 tons and South Africa some 375 tons.

In 1953 we returned to our Carkers Lane, London, premises, a portion of which was converted for offices since it was considered at that time that a London warehouse and office would always be required, the Registered Office of the company was officially transferred to Carkers Lane on 3rd November, 1953.

Albert E. Reed & Co. Ltd. as the Reed Group was then called, acquired a one-third interest in Cellucotton Products Limited, England, in 1954 the capital of the company being increased by the creation of 700,000 new £1 shares, 605,000 of which were issued in November 1954 as follows:

- 135,000 @ £1 ea. in respect of £135,000 U.S.Co. loan
- 235,000 @ 28/6d. ea. for cash £335,000 to U.S.Co.
- 235,000 @ 28/6d. ea. for cash £335,000 A.E.Reed & Co.Ltd.

This with the 100,000 already held by the U.S. company gave Reed their one-third shareholding in our company.

New Articles of Association were adopted at that time, under which it was laid down that the Board shall consist of not more than nine Senior Directors and not more than six Junior Directors, with Reeds being entitled to appoint one-third of the Senior Directors and the Junior Directors being

appointed by the Senior Directors. The first appointments were:

Senior Directors:

U.S. Company C.G. Parker, John R. Kimberly,
W.R. Kellett, E. Mahler,
L.E. Pfenner, W.M. Wright.

Reed P.G. Walker, J.F.E. Coope,
E.G. Paul.

Junior Directors:

J.M. Cameron, A. Altree,
B.G. Jones, S. Emerson,
D.G. Croxon.

Mr. A.E. Thain had resigned his Directorship on 28th July, 1954.

J.R. Kimberly. I see from the records that Jack Kimberly, a grandson of one of the founders of the company, joined Kimberly-Clark Corporation in 1924, working through the organisation from the ground up, to his present position as Chairman of the Board and Chief Executive Officer. During his many visits to our company over the years, his complete knowledge of our industry made his counsel and advice to our company of the greatest importance.

It was in 1954 that John M. Cameron (Jock) and Arthur Altree (Art) arrived from the United States, Jock to take over the General Managership of our company and Art to head up Advertising and Marketing.

At this time, the only remaining working Directors resident in England were Bert Jones our Managing Director, and myself, when Ernst Mahler and Lew Pfenner discussed the position of Jock and Art joining us in England. Their concern for our feelings in the matter could not possibly have been handled in a more considerate manner. In fact we were both prepared to make them more than welcome.

Bert Jones, who had been our Managing Director since 1936 relinquished that office on 19th October, 1954, retaining his Directorship of the company controlling our selling operations from that date until his retirement in 1958.

Mr. Philip Walker, the then Managing Director of Reeds was appointed Chairman and Managing Director of Cellucotton Products Limited, effective 19th October, 1954. Philip Walker, who had worked closely with Colonel Sheldon on the tie up between Reed and Cellucotton, then took an active part in our company's operations, attending our Directors Meetings and with his close association with Jack Kimberly, was in a position to get many decisions requiring the parent company's approval through on a speedy basis.

J.M. Cameron, B.Sc.Chem.Engineer joined the Canadian company in 1937. In 1940 he was given leave of absence to take up an assignment to the Canadian Government for the duration of the war, returning to Canadian Cellucotton Products in 1944 as a process specialist. The following year he was appointed Superintendent of Planning and

Materials and in 1946 Mill Manager, Secretary and Director of the company. In 1954 he was transferred to England where he was appointed Managing Director in June 1955 and served in that capacity until his return to Canada in 1961 as Vice President. In 1962 he transferred to Kimberly-Clark Corporation, Neenah, in the capacity of Vice President, Marketing Consumer Products and in 1965 he again was transferred to Blake, Moffatt & Towne where he became President of that company. Jock is now Vice President, Marketing and Sales in JoJo Kimberly K.K., Tokyo, Japan.

At a Meeting of the Senior Directors of the Company held on the Reed Aylesford site, on 2nd June, 1955, attended by J.R. Kimberly, L.E. Fhenner, P.G. Walker and J.M. Cameron, the following items were discussed and approved. I quote from actual Minutes here in order to give some impression of the many and varied items which had to be resolved during this period of build up of our organisation:

"New Wadding Mill. A preliminary estimate for the cost of the new Wadding Mill amounted to £1,100,000 was submitted and approved in principle. It was further approved that the order for the machine be placed with Bertrams Limited, Edinburgh, and that orders for other equipment be placed.

Advertising Expenditure 1956. Kotex £34,000 to £37,000, Kleenex, including promotional work £110,000. Delsey figures will be considered later. In this connection P.G. Walker stated that Reeds would agree not to sell 2 ply soft wadding to converters who would be competitive to Delsey.

Pension Plan. The basic outlines of a pension plan based on the superannuation fund of the Reed Company was reviewed. It was agreed that the Actuary be instructed to draft a complete Trust Agreement. The Trustees of the Cellucotton plan would be Mr. P.G. Walker, Mr. J.M. Cameron and Mr. S. Emerson.

1955 Reed Bonus Payment. It was agreed that Cellucotton would reimburse Reeds for the May 1955 Bonus payments made by them to Cellucotton Mill employees on the Reed payroll.

Reed Profit Sharing Plan. Cellucotton, late in each calendar year will review with the Reed Company their plan for bonus payment that they expect to pay in the following April or May. Recommendations will be made to the Senior Board at that time.

Land Lease. Mr. Walker confirmed that the land lease currently being drafted to cover the property to be used by Cellucotton for their plant would cover a period of 99 years.

Office Accommodation. It was approved in principle that the Administrative and Mill offices would be centralised at the Aylesford site. The London Office would cover only Sales and Advertising personnel. When the detailed layout of the additional office space required at Aylesford has been made and a price determined, an appropriation will be put through in the usual manner.

Table Napkins. A test marketing programme will be operated with a three-ply standard having a 1" embossed border, put up in a quarter folded form. They will be marketed under

the name Kleenex. It is proposed to use the Spoerl folder plus attachments per appropriation No. C.P.118.

Toilet Roll Winding Equipment. It was agreed to investigate the possibility of producing Delsey with perforated sheets, this will be checked on a winder at Reeds, if successful, a used 60" winder will be purchased from the United States."

It will be remembered that the production side of our business was carried out by Reed employees who were not officially transferred to Kimberly-Clark Limited until 1956. It was agreed at that time that we would, as far as possible, treat our employees on a similar basis to Reeds in order not to disrupt employee relations on the site. Reed had some 5/6,000 employees working at Aylesford.

During our first few years at Aylesford, when we were actually making losses, our employees received a profit sharing bonus of approximately 5% of year's salary to tie in with the rest of the Reed site.

Building licences, though still difficult to obtain, a joint application by Reed and ourselves resulted in our being granted permission to build a small converting factory and office block on the Aylesford site, this was completed in part in February 1956 at a cost of £227,000 and finished in July 1956, the cost of this Part II section being a further £28,000.

The removal of the machines and ancillary equipment from the No. 3 Mill Annexe to our now completed converting factory, though on the same site and only a matter of a few hundred yards away, was planned down to the last detail - Derrick Croxon and literally the whole of his male staff had everything prepared for a weekend in February. The one item which could not be foreseen, however, was our climate - a heavy fall of snow on the Friday night before the move was to take place on the Saturday morning. Being based in London I did not actually see the conditions which the boys had to contend with, but I do know that they were terrific. It was considered close on a miracle that not only was the job completed on time to re-start work on the following Monday morning, but the whole operation was carried out without serious accident to either man or machines.

John Forest, our then Chief Engineer, played an exceptionally heavy role in this move. There was a funny story circulating on the following Monday morning, it appears that the strain of the upheaval upset John's second role Saturday evening when he was taking part in an amateur dramatic performance, during which at one point he dried up completely!

In 1952 our Capital Expenditure for machinery and equipment amounted to £120,000. In the three years 1953 to April 30th 1956 we spent an additional £215,000 on machinery, some of which was manufactured by Reeds from drawings supplied by our parent company as it was difficult to obtain Treasury

authority to spend dollars.

In 1955 International Cellucotton Products Company, the selling organisation for Kimberly-Clark Corporation, was absorbed by the latter company, as a result of this merger Cellucotton Products Limited obtained the consent of the Board of Trade and on the 29th December, 1955 our name was changed to Kimberly-Clark Limited.