

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

**Part 3  
1956 - 1968**

Chapter V	Our First Wadding Machine 1956 - 1958	p36
Chapter VI	Second Wadding Machine Installed 1959 - 1964	p41
Chapter VII	Third Wadding Machine 1964 - 1968	p47

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## Chapter V

### OUR FIRST WADDING MACHINE

1956 - 1958

In January 1956 P.G. Walker resigned as Managing Director of the company but retained his appointment as Chairman of the Board. At the same meeting Jock Cameron was appointed Managing Director.

Having obtained the approval of the Capital Issues Committee on the 28th February, 1956, the capital of the company was increased from 800,000 Ordinary Shares to 1,800,000, the further 1,000,000 £1 Shares being issued at 30/- per share in the ratio of two-thirds to Kimberly-Clark Corporation and one-third to Albert E. Reed & Co.Ltd. This additional Capital was required for the installation of our first Wadding Machine, the purchase of Reed Paper Hygiene Limited and the additional buildings essential to our overall expansion.

The financing of these projects was spread over just under three years, it was therefore necessary to invest our spare cash on a short term basis, this was my responsibility and I may say now that I thoroughly enjoyed the job. With the assistance of Leslie Ryall, a Manager of The First National City Bank, we kept on top of the short term market in Treasury Bills, local loans, and where the bank itself could meet the rates, we stayed with them.

Years 1956/7, 1957/8, 1958/9

During the three years from 1st May, 1956 to 30th April, 1959 our turnover continued to increase at a most satisfactory rate. The quality of our products, I would say our most carefully guarded objective, competitive consumer prices and sound marketing made our branded names the most highly thought of in their individual fields. Actual turnover 1956/7 £1,516,000, 1957/8 £3,319,000, 1958/9 £4,155,000.

In 1956 Kimberly-Clark Limited purchased from A.E. Reed & Co. Ltd. Reed Paper Hygiene Limited, the price paid being £450,000. The production and marketing of this company's product Hi-Dri Paper Towels was taken over by Kimberly-Clark Limited as from the 1st April, 1957. The turnover figures mentioned above include Hi-Dri Paper Towels in the amount of £1,011,000 for 1957/8 and £1,109,000 for 1958/9.

When we purchased Reed Paper Hygiene, the company was put into liquidation and the whole of their staff transferred to Kimberly-Clark Limited, including Robert E. Davidson, their Managing Director and Alan Marmot, Sales Manager; a separate division of Kimberly-Clark Limited was formed with the title 'Industrial Division'. Bob was appointed Industrial Sales Director in August 1956.

Under an agreement, Reed would supply us with our base paper which we would convert into C-Fold and Roll Towels for sale to industry, Education Authorities, Local Corporations, etc. This product is considered to be the best

quality available. I remember we had a little difficulty in getting Reed Paper Hygiene employees to settle down under their new conditions, however, time the great healer and Jock Cameron's leadership took care of this and for many years now they have become first class members of the Kimberly-Clark family.

In April 1957 our first Wadding Machine commenced production. The project (1) a building capable of housing two machines cost £399,000 and (2) the Wadding Machine, at that time the most up to date and fastest running in Europe, with additional converting machines, involved us in that year in an expenditure of £646,000. The machine was built from specifications and drawings supplied by Kimberly-Clark Corporation, U.S.A., with a number of parts being supplied by that country, this meant obtaining import licences from the Board of Trade which were granted because the export business we were then in a position to show had increased annually from the start of our production in this country in 1952.

This, our No.1 Machine, was 128" width, capable of producing approximately 30 tons of Cellulose Wadding per day and running at a speed of 2,500 feet per minute. The principal contractor for the building of this machine in England was Bertrams, Rudy Moravek assisted by Fred Chapman of Reed Group Engineering were responsible for the design. Start-up help included John Wollwage, Rudy Moravek and Ed Morrill from Neenah. I understand that the time taken from

the placement of the first order to the actual start up was a record. Being the first cellulose wadding machine to be installed in the United Kingdom for Kimberly-Clark Limited, the people involved were naturally enthusiastic to the extent that in the final stages John Wollwage and company got around to even mixing glue!

The official opening, to which much publicity was given, was performed by H.R.H. the Duke of Edinburgh.

Two extensions were added to the converting factory in 1957 at a cost of £135,000 and a new four storey warehouse and office block was built on the site in 1958, the cost of which was £115,000.

In November 1958 J.G. Hiles was appointed Product Development Manager to identify range of wadding products capable of being sold to Hi-Dri outlets, and by April 1959 the Industrial Division, in addition to Hi-Dri Paper Towels, sold the following items:

- Sanek Neck Strips and Towels
- Medical Wipes
- Kleenex Squares (Napkins)
- Special packs of Kotex, Kleenex and  
Toilet Rolls.

The quantities sold during these three individual years of our now four main products were:

## Chapter VI

### SECOND WADDING INSTALLED

1959 - 1964

At a Meeting of the Directors held in April, 1958, the installation of a second Wadding Machine was discussed and it was agreed that the machine be ordered in the near future, to come into operation by 1st January, 1960. In view of the restrictions on the raising of capital, a thorough investigation was ordered.

On 17th July, 1958 Arthur Altree resigned his Directorship of the company as he was returning to America to take up a new assignment. At the same meeting R.M. Carpenter was appointed a Director in place of Arthur Altree. Bob Carpenter, who had been an Account Executive with our advertising agents, Foote, Cone & Belding, and had handled our business for some years was appointed to head up our marketing activities.

Bert Jones who had been Managing Director of the company from 1936 - 1954 resigned from the Board on the 22nd September 1958. He continued to be associated with the company in the capacity of a Sales Consultant under a five year agreement. Having worked so closely with Bert during the whole of his service with this company, I feel that I should quote here Mr. Mahler's statement to the effect that this company owed a lot to Bert for his unfailing loyalty and service to Kimberly-Clark during perhaps its most difficult years.

Years 1959/60, 1960/61, 1961/62

During this three year period we added the following to our range of products marketed:

Kitchen Towels  
Kimwipes  
Non-Woven Gauze  
Dressing Towels  
Kleenex Chiefs  
Kleenex C-Fold Hand Towels

These, together with the main lines already mentioned, which continued to show progress, resulted in our turnover increasing as follows:

1959/60	£4,707,000
1960/61	£5,802,000
1961/62	£6,990,000

Of the additional lines, the principal items contributing to the increase in turnover for the year ending 30th April, 1962 were Table Napkins with £55,000 turnover, Kleenex Towels £39,000 Non-woven Gauze £165,000, Dressing Towels £45,000. The inclusion of these new items, some of which we feel sure will produce high volume in the not too distant future, are the result of careful research and marketing.

As a result of field experiments and product research, the Kleenex Dressing Towel was launched in the Spring of 1961. During the previous nine months many user tests had been conducted within the hospital field, sponsored very largely by the Nuffield Hospital Trust, who had defined an

objective of providing hospitals with a disposable wrapper for sterile dressing which would be conformable, capable of being sterilised by normal methods without loss of physical properties, and of course cheap. The Kleenex Dressing Towel answered all these requirements and the 10" was launched in March 1961 followed by the 20" in August and the 30" in November.

The quantities sold on the four major lines during these three years were:

	<u>Kotex</u>	<u>Kleenex</u>	<u>Delsey</u>	<u>Hi-Dri</u>
	<u>Gross</u>	<u>Gross</u>	<u>Gross</u>	<u>Cases</u>
1959/60	42,500	207,000	197,000	525,900
1960/61	54,100	257,000	268,000	584,200
1961/62	66,000	318,800	333,700	656,300

On 27th October, 1959 our Second Wadding Machine was officially started by P.G. Walker. Once again, Rudy Moravek was responsible for the design of this machine in conjunction with Ben Boorman and Ernie Porter of the Reed Group Engineering, both Ben and Ernie are now on the Kimberly-Clark payroll. Bertrams were the principal contractors and Neenah again gave us start-up help by sending over Oxie Burr and Rudy. Our No.2 Machine was also 128" width but was capable of producing 50 tons of wadding per day, with a running speed of some 3,000 feet per minute.

Due to our increased production and turnover, it became necessary in 1961 to extend our 4-storey warehouse at a cost

of £139,000 and a 4-storey office block was built in the same year costing £48,000.

In 1956 when we signed the original agreement with Reeds, we acquired what we then considered would be sufficient land to take care of our foreseeable requirements on the Aylesford site. This was leased to us on a 99-year basis, the acreage first taken was 6.93 acres; in 1961 we added a further .924 acres, in 1966 6.495 acres and in 1968 5.445, making a total of just under 20 acres.

In July 1959 R.C.M. Marston was appointed a Junior Director of the company with the title Administration Director, and in January 1961 Bob Carpenter, Director of Marketing, resigned his Directorship and terminated his employment with the company. At a Meeting of the Directors held on 20th February, 1961 it was confirmed that William H. Clifford, Senior Director of the company retired from this position and William W. Cross was appointed in his place.

W.W. Cross joined Kimberly-Clark in 1939 at the Chicago Sales office and soon transferred to Staff Sales in Neenah, Wisconsin, headquarters of the Corporation. He was named Sales Manager of Coosa River Newsprint Company in 1949, a position he held until 1952 when he returned to Neenah headquarters as assistant general sales manager. He was named general sales manager, Industrial Products, a year later. Bill Cross was elected vice president of sales, Industrial Products in 1959. In February of 1961, he was

named president of Kimberly-Clark International S.A., and in this capacity is in charge of foreign operations. Bill's appointment as President of Kimberly-Clark International makes him the boss man of Kimberly-Clark Limited, England, through whom all our major policies have to be cleared. His assistance since his appointment in 1961 has been of great help to us and his many visits are looked forward to with pleasure.

In late 1960 a Non-Woven machine was installed to produce gauze for sanitary towels in this country, South Africa and Australia. At about the same period wet strength Kleenex tissues were introduced to this market.

The rapid growth in sales during 1961/2 on pretty well all products resulted in our converting factory being unable to meet demands. Additional equipment being installed and on order, together with additional working hours, caught up with this situation moderately quickly.

Effective 31st July, 1961 Jock Cameron resigned his position as Junior Director and Managing Director of the company in order to take up a new appointment in Canada, at the same time he resigned his Trusteeship of the Superannuation Fund. Derrick Croxon was appointed to both of the above offices, replacing Jock. Jock, who had been with us from 1954 and as Managing Director from January 1955, was greatly missed by all, he was respected and admired by those who came into contact with him. Derrick's appointment was a popular one as it was recognised by everyone that his

management of the manufacturing side of our business since its inception in 1952 was of an extremely high level.

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Chapter VII

THIRD WADDING MACHINE

1964 - 1968

Plans for the installation of a Third Wadding machine were now being finalised; increased sales of wadding products, together with the supplies in reel form to various licencees made the start-up of a third machine essential by the early part of 1964. In the meantime it was found necessary to import wadding from both our Canadian and German associate companies.

Years 1962/3, 1963/4, 1964/5

Turnover continued its upward trend as the following figures show:

1962/3	£8,084,000
1963/4	9,026,000
1964/5	9,976,000

Since in 1964/5 our Kitchen Towel sales had reached a figure of 29,600 gross rolls, I feel this should be reported with other major lines.

	<u>Kotex</u>	<u>Kleenex</u>	<u>Delsey</u>	<u>Hi-Dri</u>	<u>K.Towels</u>
	<u>Gross</u>	<u>Gross</u>	<u>Gross</u>	<u>Cases</u>	<u>Gross</u>
1962/3	76,000	400,000	408,000	719,000	9,650
1963/4	93,200	406,000	476,000	741,500	15,000
1964/5	103,000	430,000	490,000	830,000	29,600

In June 1962 Denis Vidler was elected a Junior Director of the company. Denis, who joined Kimberly-Clark Limited as Personnel Manager in 1958 and held the posts of Converting Manager and Mill Manager, was now appointed Works Director.

Bob Davidson, who came to our company when we purchased Reed Paper Hygiene Limited in 1957, resigned his Directorship in July 1962 to take up an appointment with Key Engineering Limited, a subsidiary of Reeds.

The Board of Trade Industrial Development Certificate permitting the installation of our Third Wadding machine on the Aylesford site having been received, the first formal orders for the machine were placed in August 1962 and in October of the same year the ground was broken for the new building.

In view of the general increase in the number of companies in the United Kingdom now operating staff pension schemes, with the consequent effect on our employee recruiting, it was agreed that Kimberly-Clark Limited should bring up to date its existing non-contributory pension fund and set up a Contributory Scheme for staff employees, the original fund continuing for hourly paid employees.

In July 1963 Philip Walker, who had been a Senior Director of Kimberly-Clark Limited appointed by Reed in 1954, resigned his Directorship and Sydney Thomas Ryder, the recently appointed Managing Director of Albert E. Reed & Co. Ltd. was appointed in his place.

At a Directors Meeting held on 3rd September, 1963 Mr. Ryder was officially appointed a Trustee of both our Non-Contributory Pension Fund and Contributory Pension Scheme, and at the following meeting held on 18th September J.R. Kimberly was appointed Chairman and S.T. Ryder Vice-Chairman of the Board of Kimberly-Clark Limited. Since joining us Mr. Ryder chairs our Directors meetings and works closely with our Managing Director in the management of the company's affairs.

S.T. Ryder Sydney Thomas ("Don") Ryder, born 16th September 1916 and educated at Ealing Grammar School, joined the "Morning Post" on City editorial staff shortly before it was taken over by the "Daily Telegraph" in 1937. He served in the Army during the war years reaching the rank of Colonel and was seconded to the Ministry of Supply to continue development work after having specialised in the development of guided missiles. After the war he was with the "Financial Times" for three years before taking over editorship of the "Stock Exchange Gazette" in 1950. Appointed to the Board of Thomas Skinner & Co.(Publishers) Ltd., in 1955 and to that of Kelly's Directories in May 1959, he became Managing Director of Kelly Iliffe Holdings Ltd. and Associated Iliffe Press Ltd. In February 1961 he joined the Board of Sunday Pictorial Newspapers and became a Director of International Publishing Corporation on its formation in 1963. He was appointed Managing Director of the Reed Paper Group in July 1963 and Chairman in June 1968. "Don" is married with two children - one son and one daughter.

The subject of a fourth Wadding Machine was now being discussed, and since the Board of Trade would not authorise this expansion at Aylesford, a 20 acre site at Workington was finally decided upon and an Industrial Development Certificate obtained.

Hector G. Paul, who was appointed a Senior Director by Reed in 1954, died on 22nd February, 1964 and John Rodney Clifford Sheldon was appointed in his place, on 1st June, 1964 by Reed. The sudden death of Hector Paul was a shock to all of us. He was greatly missed by his colleagues because of his service to the company during office and his friendly personality. We welcomed Rodney Sheldon to our Board - he had been closely associated with our company since the beginning of our manufacturing in this country, he was the first employee of the Reed team to visit Keenah to obtain the know how for the production of wadding and one of the principal men in the conversion of the Reed No.6 machine.

By April 1964 our No.3 Cellulose Wadding machine was running full time, the building to house this machine cost £359,000 and the machine and ancillary equipment cost £1,460,000. The official opening which was performed by John R. Kimberly took place on the 26th May. This is a 170" width machine, capable of producing 60 tons per day with a running speed of 4,000 feet per minute. To cope with our increased demand for wadding it was found necessary to have all three machines operate on a 4-shift production basis.

Years 1965/6, 1966/7, 1967/8

These three years bring us up to date as far as our last full year of operations is concerned, i.e. 30th April, 1968. Turnover was as follows:

1965/6	£10,770,000
1966/7	£11,430,000
1967/8	£12,931,000

The quantities of the four main lines which have been reported in the foregoing are as follows:

	<u>Kotex</u>	<u>Kleenex</u>	<u>Delsey</u>	<u>Hi-Dri</u>	<u>K.Towels</u>
	<u>Gross</u>	<u>Gross</u>	<u>Gross</u>	<u>Cases</u>	<u>Gross</u>
1965/6	89,442	478,999	516,858	832,000	74,600
1966/7	74,708	476,812	612,701	863,000	112,000
1967/8	67,770	546,491	677,199	912,000	144,000

You will observe that the Kotex sanitary towel figures for the years 1965/1968 have been steadily decreasing, this is due almost entirely to the fact that various countries, particularly in the Far East now have their own converting factories producing this item under licence from Kimberly-Clark Corporation.

Apart from the five main lines mentioned above and the various packings under each commodity, we now produce and market the following:

Kitchen Towels  
Kimwipes  
Non-woven Gauze  
Dressing Towels  
Kleenex Chiefs  
Kleenex C-Fold Hand Towels  
Medical Wipes  
Kleenex Hand Towels  
Surgical Sheets  
Kaydry Rolls  
Sanek  
Hi-Dri Rolls and 'C' Fold Towels  
Paper Squares (Napkins)

In addition, we also produce Private Brand Sanitary Towels and Facial and Toilet Tissues for some of the major Chain Store Groups.

In July 1964 R.C.M. Marston, Administrative Director, terminated his Directorship and employment with the company.

At a Meeting of the Directors held on the 24th August, 1964 the formation of a European Office of Kimberly-Clark Corporation's International Division was announced and that D.G. Croxon had been appointed Resident Area Director for Europe. Also the appointment of Denis Vidler as Managing Director of Kimberly-Clark Limited in place of Derrick Croxon was confirmed. At the same meeting, D.T. Wilkins was appointed a Junior Director of the company.

"Squire" Wilkins joined Kimberly-Clark Limited as Materials Handling Manager on the 1st May, 1959, the following year he was appointed Industrial Relations Manager and in 1961 Divisional Manager, Consumer Sales. In 1962 Northern Area Manager and later in the same year General Sales & Marketing Manager. In 1964 Squire was appointed Marketing Director, Consumer Division and in 1965 Industrial Division was added to his responsibilities, which position he still holds.

A pilot factory to produce miscellaneous lines was set up in Great Clifton, Nr. Workington, in 1964. This building, which had been used as a Pit Head baths in this coal mining area, was purchased freehold at a cost of £17,430 including re-fitting. We now employ some 80 people in this location.

In November 1964 W.R. Kellett resigned his Senior Directorship of the company, D.G. Croxon was appointed a Senior Director in his place. At the same meeting, C.W. Ryan was appointed Junior Director of the company.

At a Meeting held on 15th January, 1965 it was resolved that the following be appointed Directors of Kimberly-Clark Pension Trusts Limited, which company was being formed to act as Corporate Trustee to the company's pension Plan and Scheme:

S.T. Ryder  
D.G. Croxon  
D. Vidler  
S. Emerson  
R.J. Cox

In July 1965 our Secondary Fibre Plant (De-Ink) was completed at a cost of £37,500 for the building and £293,000 for the machinery and equipment.

Owing to the government restrictions on bank loans and overdrafts which fixed our overdraft ceiling with the First National City Bank at £1,750,000, we negotiated an overdraft line of £500,000 with the First National City Bank of Chicago, London branch, in July 1965. We were exceptionally fortunate in acquiring this facility at the date it was concluded, as 48 hours later a new Government order prohibiting additional borrowing of any description came into force.

In October 1965 a Patent and Trademark Licence agreement between Kimberly-Clark Limited and Kimberly-Clark Corporation was executed, whereby Kimberly-Clark Limited agreed to pay to the Corporation a Royalty of 1% of net sales, effective 1st May, 1964. At the same time, a Service agreement was signed with the Reed Paper Group whereby a payment of ~~£~~ of net sales was payable to that company.

Cecil William Ryan resigned his Junior Directorship of the company by letter dated 9th August, 1965.

In May 1967 our Kotex vending machine operation which for some years had been responsible for a real loss, was transferred to Self Serve Automatic Machine Company Limited, Kotex Singles to be sold to Self Serve in bulk for re-packing and sale through their national vending machine organisation. This change would put us in a profit position immediately

and release our Industrial Division from the onerous task of servicing our vending machines.

At a Meeting of the Directors held on the 9th November, 1967, a letter from Kimberly-Clark Corporation was placed before the Board removing G. Kenneth Crowell from office as Senior Director and appointing Guy M. Minard in his place.

Guy Minard joined Spruce Falls Power & Paper Company in 1928. Guy, who started as a groundwood mill labourer, reached the top in each of the organisations with which he was connected, finally being appointed President of Kimberly-Clark Corporation in 1967 and its Chief Executive Officer in April 1968. We look forward to his counsel and advice.

In order to keep abreast of developments in our various markets and to build for future progress in our organisation, a Research and Development department was formed in 1965, under the leadership of Roy Sutcliffe who has worked on the marketing side of our operations since 1962, and John Allen, Chief Development Engineer who has been with the company since 1955.

On 5th April, 1966 Syd Emerson resigned his appointment as Company Secretary, retaining his Directorship of the company. Philip R. Edwards was appointed Company Secretary at the same meeting.

where size and strength are required and Kleenex Silk Soft concentrating on those uses where gentleness to the skin is most required. In addition, a cheap brand was introduced Delsey Facial Tissue, and a Handkerchief Chiefs was launched. With all these brands, Kimberly-Clark has been able to maintain the lion share of the facial tissue business, and in the last twelve months has actually increased its overall market share for the first time since the advent of Scotties in 1955.

#### 4. The stagnation of Toilet Tissue since 1964

Nearly all the new entrants to the soft tissue business found that easiest volume was to be won in the biggest market - Toilet Tissue. With a policy of selling at low prices to large multiple chains fast entry was possible and early utilisation of wadding machinery was possible. However, this had a very adverse effect on profitability particularly to Kimberly-Clark whose product was somewhat expensively designed compared to Andrex. The current activity in toilet tissue at Kimberly-Clark is preparing for a new expansion programme with new products.

#### 5. The launch of Kleenex Kitchen Towels

Without a doubt this is the most significant activity within the consumer product field during this period. As in America, ScottTowel has made all the early running in this country, but with the new two-ply random dot embossed product Kimberly-Clark with a very significant investment programme launched Kleenex Kitchen towels which quickly established a

At a Meeting of the Senior Directors held on 5th April, 1968, it was resolved that the appointment of Denis Vidler as Managing Director and as a Junior Director of the company be terminated and at the same meeting it was resolved that Derrick G. Croxon be appointed Managing Director of the company.

D.G. Croxon, B.Sc.Chem.Engineer In 1948 Derrick joined the Reed Technical Staff. In 1952 whilst still with Reed, he was appointed Manager of the Cellucotton Products company, manufacturing operation at Aylesford. 1954 appointed Works Director which post he filled until 1961 when he was appointed General Manager and in November of the same year Managing Director. In 1964 a European office of Kimberly-Clark Corporation International Division was established and Derrick was appointed Resident Area Director Europe which post included responsibility for Kimberly-Clark Limited and in the same year Senior Director of Kimberly-Clark Limited. 1968 the function of Area Directors having been discontinued by the Corporation, Derrick again became Managing Director of Kimberly-Clark Limited.