

2nd Dec '91

Research and Development

48. Policy/Organisation : Mr. Bramley reported on discussions held with the other members of the team, the object of which was to consider whether there should be a change of emphasis in the Group's Research and Development with a greater proportion of the effort being applied to consumer-led research aimed at developing better cigarettes.
49. In the discussions, it had been agreed that although members believed that it was advantageous to continue to centralise work on regulatory issues within the Fundamental Research Centre (FRC), this work should be substantially reduced from 57 man years in 1991 to 10 man years in 1992, covering work on Bioassays, Additives/Materials, International Standards and Smoking Issues only.
50. At the same time, the range of work in the respective development laboratories should be increased; by 18 man years in BATCo. (BTC); by 14 man years in Brown & Williamson; and by 7 man years in BATCF.
51. Mr. Mercier noted that Imasco supported the strengthening of product development but also emphasised the importance of continuing fundamental research on a Group basis.
52. It was agreed that the change in emphasis which had been proposed should be implemented. Mr. Bramley was asked to prepare detailed plans and proposals for the scaling-down of FRC and for the transfers or reductions in staff which would be involved. He was also asked to consider further, whether the post of Research Co-ordinator should be retained. Mr. Bramley will report progress to the next meeting.
53. Y-1 Tobacco : It was noted that there had been encouraging progress in the USA, UK and Germany where cigarettes incorporating Y-1 tobacco had performed well in tests. However, Souza Cruz had not found any advantage from incorporating Y-1 while Imasco found that Y-1 incorporation appeared to increase the harshness of Virginia-type cigarettes. Further progress will be reported at the next meeting.
54. Reconstituted Stem : The Chairman stressed that in considering the incorporation of reconstituted stem and in deciding how this component should be produced, the overriding consideration should be to enhance the quality of the final product, not to cut costs. It was also suggested that in addition to testing the potential for incorporation in Benson & Hedges, BATCo. should also consider the potential for incorporation in SE555. It was noted that BATCF and Souza Cruz will prepare papers for the next meeting, assessing the potential for producing and using reconstituted stem and considering the capital expenditure implications.

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