

*CIA - to discuss asap. I.T.L. read  
Alan  
Aug 81*

RESTRICTED

VISIT TO IMPERIAL TOBACCO COMPANY, CANADA

26th JUNE 1980

Present: Messrs R M Gibb  
R S Wade  
S Candlish  
P C Dunn  
T A Smith

R. Begin (in part)

The meeting started with Bob Gibb raising a number of criticisms about the GR & DC programme, and also about the decision to have some R & D undertaken in Brazil for Group benefit. This reflected what I regard (and stated) to be an unsatisfactory and unnecessary situation: Having agreed at the Research Conference last October the shape of the 1980 R & D programme, and forwarded the programme through Mr E Ricard, we received no feedback until my present visit - though we have been discussing a new form of research funding agreement.

Gibb's approach, expressed to Bob Begin during our separate discussion on the research funding agreement, was that he vigorously expresses his views and then leaves it to us to do what we think fit - because at the end of the day we have the responsibility of deciding what is best in the interests of the B A T Group. I appreciate the point, but believe that a mid-way position would be far better all round.

I made it absolutely clear that both I and Alan Heard would welcome a much higher level of dialogue with I T L (and with other associates) because without this, we can never be sure that we have the optimum programme. If distance and money restricts the number of visits, there is always the telephone, telex and letter. I suggested to Gibb, however, that quite apart from the meeting at the Research Conference, he or his senior staff should endeavour - as do Germany - to have at least one visit to Southampton during the year to ensure that their own particular interests or needs are taken into account as far as possible

The mood of the meeting changed very much for the better after the half-hour break during which Mr Begin joined Gibb and me to negotiate the minor changes we had proposed to I T L's re-draft of the new research funding agreement. All points were

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discussed and settled amicably. Begin thought that the logic of the new form of agreement, accompanied by supporting financial statements from Millbank, would satisfy the tax authorities and would obviate the necessity for detailed annual re-examinations.

Most of the meeting was spent going through the 16 key technical areas and the following main points arose:

1. BIOLOGICAL

The wording of the Strategic Objective (agreed by the Research Conference in October 1979) is inadequate. It should say why the work is undertaken eg. as a defence or as an aid to the development of "safe" products.

Gibb's initial view was that little has come out of Biological research over the years and why, therefore, do we continue with it? I said that in my opinion much of the work undertaken in the last year or so has been extremely important, eg. the B 14 study of nicotine, and the inhalation study of selective filters which suggested that removing irritants could lead to a greater depth of inhalation of smoke. Moreover, the current work on expanded tobacco, and the proposed look again at some sheet products, is also strategically important. Gibb's response was 'in that case, why don't we make such points clear in the programme?'.  
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It was suggested that we should consider the biological activity of the type of smoke that is generated under actual human conditions - rather than that generated by a machine.

2. FILTERS

GR & DC should concentrate on fundamental research and should not be concerned with developing commercial products. Thus, the H E E filter programme should be concerned with understanding the fundamentals of smoke capture for different types of tobacco, paper, plug wrap, etc, and not with trying to make an H E E machine, or to produce H E E filters for trial.

The point was made that a successful filter for, say, Swiss tobacco, would not necessarily work with Canadian tobacco. Likewise, an H E E filter suitable for one maker may not be suitable for another maker. It should be left to Associates to make the appropriate H E E machine - GR & DC having first demonstrated the principle.  
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Clearly, this is a point for discussion at the Research Conference.

3. TIPPINGS AND PAPER

4. CIGARETTE DESIGN

5. COMBUSTION

These two programme areas were regarded as extremely important. (Apparently, Mr J L Mercier and other I T L Directors highlighted these programmes at a meeting to discuss the R & D

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Programme; they said that they were what they expect from GR & DC. Unfortunately, we had no feed-back from that meeting.)

George Few's recent visit to Canada to work on O/WP was apparently extremely successful.

6. SIDE STREAM

There was full support for this work - the objectives of which were recognised as likely to be extremely difficult to achieve.

7. HUMAN SMOKING AND SMOKE RETENTION

8. PSYCHOLOGY AND SENSORY TESTING

There was concern that these work areas might not be running sufficiently closely together. I explained that they were, in fact, close - and noted that the taste and flavour panel now reports to Dr Oldman.

In the vexed area of what makes a smoker like or accept a low delivery product, it was felt that we need to be able to measure and state in quantitative terms what is happening in the first three puffs. The aim must be to have a reliable model that helps the cigarette designer predict acceptable levels of tar and nicotine on the one hand, and acceptable mechanics of smoking on the other.

I T L have recently examined their own low delivery products to see whether there are any obvious common features that have led to success in the market place. We shall get a copy of the assessment.

9. SMOKE TASTE AND FLAVOUR

This is another area of considerable importance.

It was suggested that we should re-examine the earlier work of the Minnesota Mining encapsulated flavours/enhancers for flue-cured products - in an attempt to find a way to eliminate the excessive pack aroma that can arise from the use of flavour additives.

10. LEAF AND MICROBIOLOGY

Gibb is clearly averse to the Leaf Steering Committee having taken responsibility for R & D programmes. Moreover, he feels that work undertaken in Brazil will not have a practical outcome in Group terms because of the different tobaccos, soil conditions, weather, etc. It was explained that I T L had found it necessary to close down their own tobacco farm because it proved impossible to 'compete' with the major leaf research stations in the U S and Canada.

There was particular criticism that the major part of the 8 new programmes have already been covered by the Research Stations (including Delhi) and it is suggested that it is only necessary to consult the literature to find most of what needs to be known on close growing, fertilisers, comparison of varieties, etc.

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11. TOBACCO PROCESSING

A particular point was that the general statements made on page 71 were not adequately supported by the actions cited on pages 73-75 of the R. & D. Programme.

There was much stronger feeling, however, about the programme planned to be undertaken in Brazil. Gibb was especially concerned that the C A C Countries had not been consulted on the programme, and also there is a general concern that there is too much emphasis on Burley at the expense of flue-cured tobacco - which I argued was not true.

It was said that I T L has stated in writing over many years what GR & DC should be doing, but by and large we had ignored everything. I said that we have been over this ground at the two recent R & D Research Conferences and that, in my view, while argument and controversy was paramount, nothing in the way of clear programme suggestions had emerged. In view of Brazil's wish to undertake some work on behalf of the Group, it had been decided to formulate a programme and then to submit it to others for comment. I explained that the Brazil work was only part of the total R & D programme on processing which was discussed and approved at the last Research Conference.

Gibb agreed that he would draw up a list of I T L's current needs and forward them for consideration well in advance of the September conference.

12. DIET EXPANSION

I sensed that there is increased interest at I T L in G 13. A recent visit from Reynolds suggested that there is no environmental problem with the G 13 process - perhaps quite the opposite ie. fluorocarbons may even help to combat the build up of CO<sub>2</sub> in the upper atmosphere, which could lead to us all freezing to death.

13. SECONDARY AUTOMATION

Gibb said that he heard from Cliff Warren that the recent meeting at Marlow was a great success, and that I T L feel that the priorities are correct. The competent presentations at the meeting was mentioned.

14. VENTILATED CIGARETTE TECHNOLOGY

There are so many products and processes available for achieving a given level of ventilation and/or delivery, that it would be helpful for GR & DC to prepare a Status Report which gives clear recommendations to associates in the light of the best evidence available.

It was pointed out that manufacturing operations in Canada are running into severe problems due to the sensitivity of production to both materials and ventilation machinery. This whole area could well be one of the major areas of the future.

15. INSTRUMENTATION AND CONTROL

In general, this whole programme is regarded as critical for

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the Group. I T L's main needs are covered.

16. ANALYTICAL DEVELOPMENT

It was wondered whether the latest GR & DC mass spectrometer can be used to identify added flavours in competitive brands, eg Merit. We are to be asked to examine a range of Canadian samples of flue-cured products.

There is a view in I T L that both Carlton and Now may be using some special tricks that are unknown to B A T. Particularly, paper additives to compensate for the faster burning arising from the use of expanded tobacco. They would like us to carry out an investigation - especially of Carlton.

17. TAMAG PROCESSES

I explained the various trials we have in hand in the areas of:

- (a) stem and lamina expansion
- (b) nicotine and harshness reduction
- (c) ready flake sheet

and also the situation regarding CO and NO reduction. There was good support for our decision to become involved with Tamag.

SUMMARY

After a somewhat tricky start, we had a useful meeting. We must, however, develop a more effective dialogue between I T L and Group R & D - with key staff having a greater knowledge of and a greater involvement in the GR & DC programme. With the exception of Germany, this applies to all C A C Countries; we shall discuss the issue at the September Research Conference.



L C F BLACKMAN

15 July 1980

A L HEARD ESQ  
R J PRITCHARD ESQ

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