

*D. Lattet - I hope this is what you wanted.
I used some of the text to illustrate the
work needed to be done*

CAC VIII

ACTION TO BE TAKEN

1. Smoking Issues

Mr. Bruell introduced Dr. Thornton, who reviewed recent epidemiological studies.

- (a) It was agreed that it would be helpful for the new epidemiological evidence to be presented to as wide an audience as possible.

It was necessary for B.A.T Industries to take the initiative in collating this work and in bringing it to the attention of health authorities.

- (b) Mr. Bruell would organise the production of a compendium of epidemiological studies illustrating the conflicts in the evidence, with special emphasis on projections of future mortality rates and of factors other than smoking that might influence these.

All CAC countries agreed to assist in this work, which should be pursued urgently. The aim would be to produce a report within 12 months.

2. Tobacco Key Issues and Implications

- (a) The Group needed to find ways to improve the level of product innovation. It was felt that the very high level of expenditure on R & D was not producing a commensurate level of technical innovation.
- (b) Mr. Bruell would consult with the other CAC companies and would recommend action to improve the effectiveness of innovation.
- (c) It was agreed that it was also necessary to seek ways for improving the cost-effectiveness of promotional expenditure.

3. Public Affairs

- (a) A related issue was worker participation. Mr. Dennis should make a critical assessment of trends in indirect participation through pension funds buying significant blocks of shares.
- (b) Group Public Affairs were producing a paper in October, suggesting how the Centre might assist Operating Groups, in disseminating information and in developing a co-ordinated approach to certain common issues.
- (c) After the paper had been agreed, B.A.T Industries Directors would use it as a basis for discussing with Operating Groups where co-operative efforts could be beneficial.

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4. Retail Productivity

Mr. Redding presented a paper on studies in retail productivity. Mr. Redding had chaired a team consisting of representatives from B.A.T Stores, BATUS, Imasco and Horten and the paper outlined the results of their work.

(a) Mr. Redding's team recommended that:

- (i) Their report should be circulated to the participating companies.
 - (ii) The recommendations for action should be followed up by Operating Groups and, after about a year, their implementation should be monitored by the team.
 - (iii) There should be additional education programmes instituted at Chelwood.
 - (iv) Further consideration should be given to technological developments and their implications.
- (b) The team should meet again to review implementation, but it should not be self-perpetuating after that.
- (c) The Chairman believed that there were other issues that should be investigated. A new team should be set up under Mr. Redding to look at the potential improvements that might be gained from more co-operation between buying functions.

The exact terms of reference for this team would be agreed after Mr. Redding had spoken to participating companies.

5. Opportunities in Services

Mr. Carraway should communicate with each of the CAC countries, to bring them fully up-to-date with the work that had already been carried out at the Centre and to discuss with them possible future directions of development.

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