

**SECRET**

FROM THE CHAIRMAN

*covering note not circulated  
to CAC delegeter.*

GROUP 10 YEAR VIEW 1981

The Group 10 Year View paper which is attached raises a number of issues for consideration at the Board meeting on 30th June.

To focus more clearly on these issues, I have listed below some specific questions which I think we should discuss.

1. Is there a special problem relating to the UK and, if so, do we need to invest more resources in this country?
2. Taking a wider view, where should we reinvest the surplus funds that seem likely to be generated by Tobacco businesses overseas, including funds generated from the expected sale of part of the equity holdings in some overseas companies (e.g. in Nigeria, South Africa, Malaysia, Venezuela)? Should these funds be reinvested locally or should they be switched to other geographical areas either in developed or developing countries?
3. In view of the economic growth prospects for some countries in the S.E. Asia/Pacific Basin area, are we satisfied with the forecast rate of increase in the profits from this region?
4. What should we do about BAC? Should we:-
  - (a) Invest in it to make it larger
  - (b) Leave it to develop within the limits of self funding.
  - (c) Consider divestment.
5. What is our view of Retailing in the longer term, especially in the UK?
6. What is our view of the long term prospects for the different aspects of our Paper business?  
  
As a consequence, what is our view on the major potential investments in Paper which have been listed for:-
  - (a) Carbonless (e.g. the 3rd site in Europe)
  - (b) Other paper activities (e.g. the integrated pulp/paper mill).
7. What is our view on the scale and direction of the Packaging/Printing developments indicated in the 10 Year View?
8. Should we encourage faster development in Home Improvements?
9. Are we satisfied that our existing industrial activities can provide the sustained long term growth we need - or should we seek to identify alternative or additional investment opportunities in new industrial activities?

24th June, 1981

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