

SECRET



BAT INDUSTRIES

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From the Chairman

15th February 1989

To: Mr. E.A.A. Bruell

c.c. Mr. B.P. Garraway
Mr. A.G. Long
Dr. R. Salter
Mr. N.G. Brookes

Imasco Strategy Reviews 1989

I am writing to confirm with you the strategic issues which it was agreed Imasco should review and which it would be helpful for them to discuss with the CPC during 1989. The main issues are:-

- (i) the need for further strengthening of Imasco's balance sheet, particularly through a continued reduction of debt;
- (ii) the future of the remaining Peoples stores, including the possibility of their divestment;
- (iii) the need to improve Imasco's participation in the strategic direction and development of Canada Trust and, in particular, the need to contain costs, improve organic growth and develop plans for extending the Group's Financial Services activities in Canada;

In addition, the CPC would also like to be kept informed of the implications for the Tobacco business of the FTA and the Tobacco Products Control Act and of action proposed to ameliorate any adverse effects arising from these Acts.

Please let me know when Imasco will be in a position to review these issues with the CPC.

P. Sheshy

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