

CC: Dr. R Binns  
Mr. B. Rowles



BRITISH-AMERICAN TOBACCO COMPANY LTD

8th July 1988  
ALB/DET

A member of the B-A-T Industries Group

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*Pat RPLG meeting*

Dear Pat,

Have now had discussions with Accounts Department in Millbank and need to clarify some points in relation to Jean-Louis' letter of 6th May. There are two important errors:-

1. Whilst at the Research Policy Group meeting in Louisville we agreed as a group that I would propose to the Tobacco Strategy Review Team a funding formula requiring only £300,000 p.a. from Canada, this was not accepted and a figure of £400,000 as of 1987 was retained. Thus we really should be working from a basis of £400,000 contribution from Canada for funding the traditional fundamental research programme.
2. Secondly, the SRG contributions are treated quite separately from the costs of the fundamental research work and, indeed, is handled this way by other countries. Thus, the £60,000 figure should not relate to this and this will be billed to you separately (as has indeed happened in the bills you have received to date).

If we can get these points agreed we are then looking for a £170,000 contribution from Canada towards the estimated £1 million expenditure for Greendot/Airbus. I understand that Jean-Louis Mercier would like to see the actual expenditure for these areas and this we agree to do quarterly on a pro rata basis. The situation is already clear to me for Southampton on Greendot and I will clarify next week whilst I am in the USA how we collect similar information for Airbus.

While we resolve this we agree that you should ignore the two quarterly bills received to date, but as soon as we can get your agreement to the fundamental principles in this note, we will adjust as appropriate.

If you have any problems, please give me a call. (I shall be here in Millbank next Monday and Tuesday.)

Regards,  
Alan Heard

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