

# Imps to build £10m. plant for substitute tobacco

BY DAVID WALKER

## Imps to build £10m. factory

● IMPERIAL TOBACCO is to build a £10m. factory in Scotland to make a woodpulp-based tobacco substitute. (Page 14.) It was also revealed yesterday that Imps has bought an 11.52 per cent. stake in Glenlivet Distilleries for £1.7m. Page 33

IMPERIAL TOBACCO, Britain's biggest tobacco company with about 67 per cent. of the U.K. cigarette market, is to build a £10m. factory in Scotland for the production of a woodpulp-based tobacco substitute.

The move comes after seven years of research by Imps in conjunction with Imperial Chemical Industries. It means that, subject to Government clearance on health grounds, cigarettes containing what the company calls New Smoking Material should be widely on sale in Britain from 1975. Test marketing could possibly begin next year.

The factory, in a special development area at Ardeer, Ayrshire, at first will turn out about 10,000 tons, or 22.4m. pounds of New Smoking Material a year, which compares with 218m. pounds of cigarettes now consumed each year in this country.

It is unlikely, however, that cigarettes made wholly or largely of New Smoking Material, will appear for a long time, if at all. Instead, Imps intends to produce cigarettes, including some under existing brand names such as Embassy or Players, containing up to 20 per cent. of the material.

### Long term

In addition, it is to offer New Smoking Material to other cigarette companies in this country and abroad on a commercial basis.

The Ayrshire plant, which will be on land bought from ICI's organics division, will employ about 200 people and have room for expansion.

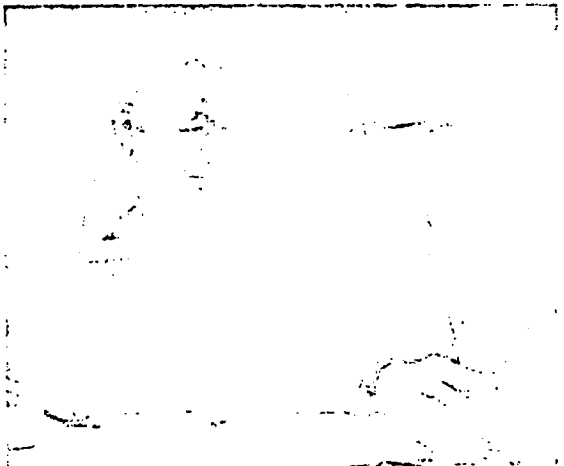
The possibilities of other plants in Britain and licensing agreements with overseas companies are already being considered on a long term basis.

Although Imperial Tobacco, a subsidiary of the Imperial Group, is the first major tobacco company to announce advanced plans for the production of cigarettes containing synthetic material, its new products will not be the first of their type on the British market.

Courtaulds has also been working on the development of synthetic smoking materials but, unlike ICI, not in association with a tobacco manufacturer. It has plans to test market its Planet brand in the Coventry area in the autumn.

The Scottish Co-operative Society, shortly due to merge with Co-operative Wholesale Society, is involved in a company in Scotland—Shaw Smokers Products—which produces non-tobacco cigarettes for sale in Scandinavia.

The Imps-ICI research programme has been carried out by a joint company, Imperial Developments, in which Imps has a one-third stake and ICI two-thirds.



Mr. R. A. Garrett (right), chairman and managing director of Imperial Tobacco, and Mr. R. S. Wright, a deputy chairman of ICI.

About £3m. has been spent, plus £500,000 put in by ICI during the two years before it linked with Imps. The research budget this year alone runs to more than £1m.

ICI is not putting money into the Scottish factory, but the marketing of New Smoking Material will be handled by Imperial Developments, which will take a 10 per cent. royalty on sales.

The material—cellulose in common with the main constituent of tobacco leaf—is nicotine free and is claimed to have only a quarter of the tar yield of tobacco on a weight for weight comparison.

Tests on animals, it is claimed, have suggested that the tar has only one-fifth the carcinogenic properties of tar from tobacco. The irritancy factor is also said to be lower.

### Taxation

The cost of the material is put at much the same as tobacco, though this is something which could clearly alter as the price relationship between woodpulp and tobacco changes. At present there is a shortage of good quality flue-cured tobacco and costs are rising.

Prices of the cigarettes containing the material will depend most on taxation decisions. The Treasury has indicated that synthetic smoking materials will be taxed at the same high rate as natural tobacco, but it is possible that health considerations will lead the Government to discriminate in favour of new materials.

The whole question of synthetic smoking materials is being considered by the special advisory committee, concerned

primarily with health factors, set up in March by Sir Keith Joseph, Secretary for Social Services, and headed by Professor R. B. Hunter, vice-chancellor of Birmingham University.

The committee could report before the end of the year.

### 'League table'

The primary consideration in the production of synthetic smoking materials to an extent is not the health factor, but the acceptability of the product to smokers.

Already, special blending of tobaccos and the use of highly efficient filters can almost eliminate tar, at least from cigarettes, as is shown by those brands at the top of the Government-produced "league table" of tar and nicotine contents published last month.

Low-tar cigarettes, however, can be difficult for the smoker to draw on and for that and other reasons are thought unlikely ever to find mass sales.

According to Imps, similar problems are largely eliminated with the use of New Smoking Material combined with tobacco.

Dr. John Dinwiddie, director general of Action on Smoking and Health, said yesterday: "The danger is that whatever material is smoked many of the risks will remain the same."

"Because many smokers smoke more when they switch to low tar and low nicotine content cigarettes, there is a possibility that the widespread use of this new material could increase some of the hazards."

"There is no such thing as a safe cigarette and none should ever be. The only advice that we can give, especially to the young, is that they avoid smoking entirely."

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