

PRIVATE & CONFIDENTIAL

TOBACCO DIVISION BOARD OF MANAGEMENT

Minutes of Meeting held on Tuesday 3rd July 1973.

Present: Mr. P. Macadam (Chairman)
Mr. K.E. Haines
Mr. J.T. Husbands
Mr. A.D. McCormick
Mr. P. Sheehy
Mr. T.A.H. Slack
Mr. E.J. Symons
Mr. C.H. Stewart Lockhart

In Attendance: Mr. B.G. Pearson (Secretary)

6/1 Computer

Reference Minute 2/2, Mr. Slack reported that he had discussed the computer with Messrs. Rawlinson and Symons and that I.E.D. had accepted responsibility for the computer under Mr. W.G. Munro, who is shown on the Organisation Chart of 3rd July.

6/2 Organisation Charts

The following comments were made regarding the Organisation Charts of 3rd July:-

- (1) Sheet 5 should be headed "Tobacco Division - Leaf, Purchasing, Administration and Production Services".
- (2) Although Mr. E.C. Curtis is properly shown on Sheet 4, he should also be included on Sheet 5 together with the services for which he will be responsible.
- (3) Sheet 10, Mr. Slack will discuss with Mr. Doran (a) where Mr. Bussicott should be added, and (b) a less confusing distinction between the two "Marketing Managers".

6/3 Millbank Committees

Mr. Haines' note of 28th June will be circulated for consideration at the next meeting.

6/4 Responsibilities of Tobacco Division

- (a) A draft, incorporating Mr. Ogle's comments, will be circulated for consideration at the next meeting.
- (b) The list to be attached under paragraph 3(e) will be considered further by Mr. Macadam. Possibly include Switzerland and I.E.D? Possibly restrict list to countries where No.1's are graded 17 or over?

6/5 U.K. Operations

Mr. Short's note of 27th June to Mr. Slack will be circulated for consideration at the next meeting.

6/6 Personnel Committee

It was noted that the CPC had resolved that the Tindley

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Committee should be disbanded and its functions transferred to the Chairman of the Tobacco Division so far as concerns Tobacco Division matters. It was agreed to constitute a Tobacco Division Personnel Committee to comprise of Mr. Macadam (Chairman), Mr. Symons, Mr. Dunbar and Mr. Morini with Mr. Pearson as Secretary.

6/7 Financial Controls

Consideration was given to controls in cases of necessary expenditure beyond previously agreed capital expenditure budgets:-

- (1) Present limits of authority for individual directors will continue for the time being but the list will be circulated for consideration at the next meeting.
- (2) Such expenditure above these limits must be approved by this Board up to a figure provisionally agreed as £1 million (but to be reviewed in the light of (1) above).
- (3) Such expenditure above the provisional limit of £1 million will be referred by this Board to the CPC.

6/8 NSM Etc.

It was agreed to invite Dr. Green to attend a future meeting to explain and discuss the situation regarding NSM, Batflake, Courtauld and Amcel materials. Mr. McCormick will discuss the date with Mr. Macadam.

6/9 I.R.C. and other representatives

Mr. Macadam will discuss with Mr. Dobson the following:-

- T.R.C. - Council - Macadam, McCormick
- Executive Committee - Green, Hargrove
- T.A.C. - Macadam, Stewart Lockhart, Hargrove
- Melins - Haines, Green, unless P.M. should be nominated to replace R.P.D. in view of Pile being IG's representative.

6/10 Ghana

In accordance with Mr. Dawson's note of 26th June, it was agreed to increase the Stated Capital of Pioneer Tobacco Co. Ltd. to £8,000,000 forthwith by capitalising the whole of the capital surplus of £1,228,000 plus £1,372,000 from the Income Surplus.

6/11 Japan

Messrs. Slack and Haines reported that an I.E.D. technical team had returned very impressed with the J.M.C.'s technical efficiency, including a Mark VIII making 4,000 cigarettes a minute with a 94% efficiency. Exchange of technical know-how is being discussed with the J.M.C.

6/12 Finland - PALL MALL

Mr. Stewart Lockhart reported that the PALL MALL flavouring problem had been resolved. It had been discovered that some

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balsam, a natural flavouring, had been at fault. No other country has been supplied with a similar batch of the flavour. Some 9 million faulty cigarettes had been consumed but the brand is considered strong enough to withstand any temporary damage to its name. Some 20 million cigarettes are being destroyed at a total cost of about £75,000.

6/13 Finland - PRINCE

Mr. Stewart Lockhart reported that PRINCE, the top STK brand in Denmark, is now being manufactured under licence in Finland. The brand sold 15 million in the first month and 21 million in the second. The price in Finland is half that in Sweden and the brand has already taken 40% of the border trade, forcing a reduction in the ~~MARLBOROUGH~~ price for the permitted two month period. If PRINCE continues to expand there will be insufficient making and packing machinery in Finland.

6/14 U.K. - Additives

Mr. Macadam reported that the T.A.C. have proposed to H.M. Customs that cigarettes with additives be tested amongst the public, provided that they should not be for sale, first in coded white packets and, later, in commercial packets.

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