

NOTE ON THE CURRENT STATUS OF SUBSTITUTES
AND POLICY

Current trends in tobacco prices gives added incentive to exploring further use of reconstituted tobacco and non-tobacco substitutes. B.A.T. policy on the use of substitutes has been stated since 1962 as follows:

"We will not use substitutes unless there
is a demonstrable advantage on health
grounds".

Since that time our policy has been modified in some respects largely by the interpretation of what we mean by "demonstrable advantage". The present position is that we regard a material as having a demonstrable advantage if it gives cigarettes with lower tar and lower nicotine and with carbon monoxide no higher and shows no increase in biological activity. The Hunter Committee Guidelines have now helped us to clarify what we mean by biological activity: this should cover an examination of the chemistry of smoke including materials such as benzpyrene, nitrosamines, hydrogencyanide, etc., it should cover tests for tumorigenicity both by skin painting and by inhalation, it should also involve some general inhalation toxicology. Hunter, of course, is developing his Guidelines further to include clinical and other human studies. B.A.T. could go further than Hunter in one respect: we could take cognizance of the initiation/promotion hypothesis and aim to get both a reduction in total tumorigenicity and in promotion activity.

A list of substitutes and their present status is attached. To my knowledge only two of these are likely at present to show a demonstrable advantage on health grounds that would satisfy us: these are CYREL and NSM.

Presumably we would only use tobacco substitutes if they prove to be profitable in the broadest sense, i.e. acceptable to the consumer, acceptable to the cigarette manufacturer, available at the right price, etc. One other condition, of course, is that they would not contravene the law in the market for which the use is intended. Before they are used in any particular market careful consideration would also have to be given to any change in the legal position with respect to consumers.

In my view the fact that tobacco substitutes have been accepted for sale by the German Federal Health Ministry does not necessarily constitute a demonstrable advantage on health grounds or provide a basis for use in any other country. The tests carried out under the German law by Professor Kröle consists only of simple pyrolysis tests and benzpyrene determination, on this basis BATFLAKE, CYREL and NSM have all been cleared. Equally although the Hunter Guidelines are very much more extensive it does not follow that clearance by Hunter would be satisfactory for clearance either by B.A.T. or for use in another country.

Contd.

300053075

This last raises important questions. If - as for promotion - we regard Hunter Guidelines as inadequate should we do our utmost to get the Guidelines enlarged or should we be grateful for small mercies. Should we insist on more stringent requirements to satisfy B.A.T. than are required to satisfy Hunter, or for that matter Kröle? In my view we should get the best legal advice we can with regard to potential markets and our responsibilities as manufacturers. This advice will almost certainly require us to act responsibly and it may be necessary to get independent medical advice.

Suggested actions are as follows:-

1. We should get legal advice on our position if we use substitutes in the United Kingdom. Perhaps similarly opinions could be sought in U.S.A., Canada and Australia.
2. We have promised to propose to American Celanese a draft agreement for the purchase of CYTREL. This would, if accepted, commit us to buying a given quantity of CYTREL contingent upon CYTREL remaining in substantial quantities in cigarettes on sale in the U.K. This would cover both consumer acceptance and any revision in Hunter requirements or reversal after testing on humans.
3. We should aim to get a similar understanding with IDL for NSM.
4. We should continue to press on with BATFLAKE development and a proposal will be put to the Tobacco Board in this respect on the 20th September.
5. We should make an approach to Courtaulds to explore the possibility of some co-operation or a phased joint venture. The main attraction here is that it is likely that they could quickly engage in large scale production.
6. We should diligently inform ourselves with respect to the other materials, particularly Ecusta which is being tested by the N.C.I. in America.
7. We will make a point of examining the Bayer material when it appears in Reentsma's cigarettes and thus becomes available to us, at least for laboratory work.
8. We should continue the development of reconstituted substitutes with lower biological activity.


S.J. GREEN

Enc:

300053076

APPENDIX I

BATFLAKE B.A.T. product based on chalk and sodium carboxymethyl cellulose. Approaching decision stage for semi-commercial plant. Weak but useful patent position. Probably 2¢ per lb.

N.S.M. Product of Imperial Developments Ltd. Full scale 20 - 30 million lbs/year plant under construction. Partially oxidised cellulose. Useful patent protection. Expensive - probably over 1/lb.

CYTREL Product of American Celanese Corporation. Full scale 10 million lbs/year plant under construction. Inorganic additives with cellulose binder - probably carboxymethyl cellulose. Useful patent protection - not impregnable. Price at present values about 75 ¢/lb.

ECUSTA Product of Ecusta. Believed at pilot plant scale but probably no problem in production as is essentially cellulose. No patents. Probably 50 ¢ /lb. No biological claims but under test by N.C.I.

COURTAULDS No public information. Probably viscose. No patents known. Price - not to be offered for sale but cost is probably around 60 ¢ /lb. Could be produced readily.

BAYER No information but will be on test in Germany and samples can then be examined. Almost certainly cellulose based.

B & W Batflake type product based on aluminium compounds. Laboratory stage.

HELME Vegetable reconstitution. No biological information. May be on sale in U.S.A. in 1974.

DUPONT No knowledge

SHAW PRODUCT Presumed dead - was reconstituted vegetable waste but effectively flavoured.

SUTTON RESEARCH Turned down by IDL, B&W and BAT. Patented. Cellulose based.

SJG:NW
5.9.74

Turney

300053077