

File Note

ONTARIO FLUE-CURED TOBACCO MANUFACTURING BOARD - SPEECH TO TOBACCO GROWERS ASSOCIATION OF NORTH CAROLINA 9TH NOVEMBER 1984

J. Drummond

1. Berry Murray is a new Chairman of the Board. In recent elections 9 new members were elected out of 16. New drive within the Board to become more aggressive.
2. Canadian growers are undergoing a difficult period. The Canadian market is falling due to excess production and high cost/prices. Canadian crop is basically flue-cured - whereas Virginia market is not increasing and Canadian leaf does not go well in blended cigarettes. Quality of Canadian tobacco is not better than other countries.
3. World price is lower than Canadian price or required price. Production is increasing in other countries which have become or are becoming self-sufficient.
4. Imasco/BAT are protecting the Canadian Growers by buying more stocks of local leaf than they require for their own production, and are attempting to sell the excess on world markets. (Imasco benefit in doing this is to avoid further cuts in Canadian production, resulting in a loss of flexibility).
5. Berry Murray has made similar remarks before and since 9.11.84 including remarks made directly to JD. JD has visited Canada since 9.11.84 and seen Murray.
6. TAC's function in relation to the Canadian growers is merely to provide a meeting place for discussions.
7. BAT at the centre does not purchase leaf from one country and/or sell to associates nor does it "require" associated companies to purchase from particular countries. BAT's function is merely to act in an advisory/supervisory capacity and if required as an agent. Purchases from growers are made by each associated company and paid for directly by the associated company to the supplier.
8. Berry Murray applied for a job with BAT approximately 12 months ago and was turned down.

K. Wells

1. KW was already aware of Berry Murray's speech.
2. He stated that a lot of growers have been "shooting their mouths off" recently, and saying a lot of wild things. B&W have not been responding (a) as they must not take the remarks too seriously and (b) as some remarks are so wild they are unanswerable.
3. There have been no repercussions to the speech.
4. KW does not feel that there would be a problem under antitrust laws in not responding to the accusations.

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Hugh Grice

1. No reaction from other companies.
2. Spoke to Sir James Wilson - his view is to talk to BM when he comes over in January/February and tell him he is on the wrong foot.
3. Hugh Grice understands that BM's speech received no support in Carolina.
4. Chris Seymour of the Canadian Manufacturers Council has spoken to BM privately and objected.

Imasco

1. No repercussions to the speech.



Anne Johnson

AJ/SLF
20 December 1984

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