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To: David Bishop/Staines/GB/BATCo @ BAT
cc: Simon Smith/Staines/GB/BATCo @ BAT, Graeme Rowlands-Rees/TS/UZ/BATCo
@ BAT, Joanne Swatten/Staines/GB/BATCo @ BAT
From: John Selby/TS/UZ/BATCo
Date: 15/02/95 12:59:14 ZE4
Subject: EXCISE PROPOSAL - URGENT...URGENT....URGENT

Please find attached our proposal to Government. The basic proposal is still as we have been discussing. We have done endless scenarios and there have been many hours of debate with Marketing on the maximum prices they believe the market can sustain without contracting. This is fundamental as it affects the minimum tax that I am proposing. What we are now showing gives us a pricing advantage but still enables us to increase prices in real terms.

I have just come out of a meeting with Abdukadirov that I intended to give a verbal outline and give him comfort that we will presenting our report in the next few days. However, he is travelling tomorrow and is already working on his proposal to the Cabinet that he must complete by tonight!! He is working throughout the night and said he must have our recommendations in Russian by tonight if he is to consider them. Thank goodness we have progressed our proposal to the level that I believe we can present today. I did run through our recommendations verbally with him as I did with Golishava two weeks ago. I left him with the section in English on advantages and disadvantages of the stamp system as this was straight out of your book. He said our calculation of possible revenue was actually more that he was expecting so our fears are unfounded on that point.

The attached document is presently being translated into Russian. Can you urgently read through and I will call later today. I would have liked a couple of days for you and me to polish but a lot of effort has already been put into the document and has been agreed with marketing. If I hold back I do not know what he may put into his decree so we have to fly with what we have got. We call later so hope you are in the office.


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