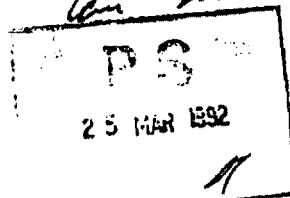


NOTE TO THE CHAIRMAN
FROM S. P. CHALFEN

March 24, 1992
SPC265/aw



We have been invited to become one of only two British corporate members of The Forum for US-EC Legal-Economic Affairs.

This is a forum primarily for members of the Supreme Court of the United States and the Court of Justice of the European Community to exchange views at the highest judicial levels on fundamentals of the interaction of law and economic affairs.

The first Forum convened in August, 1991 and the second plenary session of the Forum is scheduled for August, 1993. There will be two working sessions in 1992 and two in 1993 in advance of the Forum. The active participants in the Forum are two of the nine U.S. Supreme Court Justices, seven of the fifteen European Court Justices and a number of very senior jurists, economists and general counsel of a fairly small number of U.S. and European companies.

The topics which have been nominated for the 1992/1993 period include three which are of immediate and direct business interest to BAT Group, as follows:

- 1) "Pre-emption" with particular reference to the boundary between judicial policy and the economic context.
- 2) The international dimension of anti-trust and competition policy - with particular reference to the recent U.S.-EC Executive Understanding for anti-trust co-operation and policy enforcement.
- 3) The aims and instruments of industrial policy in the EC constitutional context.

These and the other four or five issues on the 1992/1993 agenda have emerged directly from the 1991 Forum and from ongoing suggestions from both the judicial and corporate members.

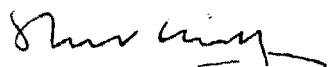
In respect of each agenda item, the corporate members are invited to submit "items of practical concern". From these the authors - "pre-emption" will be covered by U.S. Supreme Court Justice Scalia - will be developing working papers which will then, following the working committee meetings, lead to a discussion at the 1993 Forum.

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It will be appreciated that this particular mechanism provides a truly unique opportunity for corporations such as ourselves to have an influence, through informing them of our experiences, concerns and viewpoints, on the thinking of the justices who will be making decisions of key economic importance to us: for example, the Cipollone decision, the freedom of advertising discussion and the German constitutional case to name but three all have fundamental elements of the pre-emption discussion.

I should add that at the 1993 Forum itself, in addition to the General Counsel, the Chairmen of the corporate participants are invited since these topics are of obvious long-term and strategic importance to the corporations.

I attach for your information papers giving more details of the Forum including the fee scale for participation. It would be expected that we would become a member for at least two years. Bearing in mind that each corporate member is entitled to send two delegates to the working sessions and in light of the balance of benefit in this membership, it would seem reasonable to share the cost with B&W.



S. P. Chaffin

/enc.

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