

October 24, 1962.

Private & Confidential

MEMORANDUM FOR MR. E.C. WOOD

Mr. Pare and the writer have been considering the meeting to be held Monday, October 29th, to discuss agreement to the Statement of Policy dated October 12th. It seems to us that the first step of the meeting must be to get B & H to indicate their agreement in principal before any other issues are discussed. The whole argument should turn on the fact that this is in the public interest and is not designed to limit competition between manufacturers.

There are indications in the letters from Rothmans and Rock City that they will try to enlarge the area of discussion but this, we feel, should be resisted on the ground that the only way this agreement will work is by having all manufacturers try their best to live up to it.

We do not think there should be any reviewing body setup and the furthest which we think you should consider going is possibly an explanatory memorandum on the word "implied" and leave the main arrangement as it stands. Sample of a possible memorandum is attached.

Furthermore, as any release that we can envisage would undoubtedly have adverse effect on the two companies which have been active in this field recently, there should be no publicity given to the arrangement other than, of course, the necessary steps of informing individual staff and respective agencies as to the policy and possibly release to the Minister of National Health & Welfare. We would suggest that this should be done by each company sending a copy of the Statement to those concerned, not as a joint communique, but as independent company action.

Attached to this memorandum are -

- (i) Draft agenda (with attachments)
- (ii) Draft statements on background
- (iii) Draft letter you may wish to send to Devlin and Tennyson, and possibly to Leahy.

EP  
Atts.

*am. J.  
P.*