

Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant Milbank, Tweed, Hadley & McCloy 1825 Eye Street, N.W. Washington, D.C. 20006		2. Registration No. 1839
3. Name of foreign principal People's Republic of China	4. Principal address of foreign principal Embassy of the People's Republic of China, 2300 Connecticut Ave. NW Washington, D.C. 20008	

5. Indicate whether your foreign principal is one of the following type:

- Foreign government
- Foreign political party
- Foreign or domestic organization: If either, check one of the following:
 - Partnership
 - Corporation
 - Association
 - Committee
 - Voluntary group
 - Other (specify) _____
- Individual—State his nationality _____

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6. If the foreign principal is a foreign government, state:

- a) Branch or agency represented by the registrant.
None
- b) Name and title of official with whom registrant deals.
Kong Fanchang, First Secretary (Commercial),
Embassy of the People's Republic of China

7. If the foreign principal is a foreign political party, state:

- a) Principal address
- b) Name and title of official with whom the registrant deals.
- c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

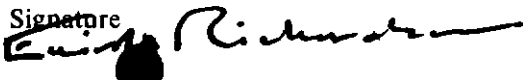
- a) State the nature of the business or activity of this foreign principal

b) Is this foreign principal

- Owned by a foreign government, foreign political party, or other foreign principal Yes No
- Directed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes No
- Financed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes No
- Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Date of Exhibit A January 22, 1986	Name and Title Elliot L. Richardson, Partner	Signature 
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INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Milbank, Tweed, Hadley & McCloy	People's Republic of China

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

INTERNAL SECURITY
SECTION
REGISTRATION ACT
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CRIMINAL DIVISION

- Describe fully the nature and method of performance of the above indicated agreement or understanding.

The above-indicated agreement between the Embassy of the People's Republic of China and Milbank, Tweed, Hadley & McCloy, a law firm, and Furia, Samuels & Company, a trading and consulting firm (referred to collectively in the agreement as "MFS"), contemplates that the two firms, each in its individual capacity and in cooperation with one another, will counsel and advise the People's Republic of China ("the PRC") regarding trade relations between the United States and the PRC. MFS will also advise the PRC with respect to legislative and administrative proposals involving the application of countervailing duties and antidumping proceedings to the products of non-market economies. The term of the agreement is for one year, with provisions for its extension.


5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The registrant will inform and advise the PRC regarding the application of countervailing duties and antidumping proceedings to the products of non-market economies. As jointly agreed with the Embassy of the PRC, the registrant will also represent the interests of the PRC regarding such matters. In addition, the registrant will provide the Embassy of the PRC with a comprehensive analysis and overview of legislative and administrative issues concerning the improvement and expansion of trade relations between the United States and the PRC. The registrant will report to the Embassy of the PRC primarily, but not exclusively, on trade and economic matters.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The registrant will communicate as necessary with representatives of the Executive Branch and the Congress of the United States with respect to legislative and administrative proposals and policies involving the application of countervailing duties and antidumping proceedings to the products of non-market economies in general and the PRC in particular, and, as jointly agreed with the Embassy of the PRC, with respect to other trade-related matters.

Date of Exhibit B	Name and Title	Signature
January 22, 1986	Elliot L. Richardson, Partner Milbank, Tweed, Hadley & McCloy	

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of the government of a foreign country or a foreign political party.

AGREEMENT

among

MILBANK, TWEED, HADLEY & McCLOY

FURIA, SAMUELS & COMPANY

and

THE EMBASSY OF

THE PEOPLE'S REPUBLIC OF CHINA

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INTERNATIONAL SECURITY
REGISTRATION

A. RECITALS

During the period June 19 to July 2, 1985, Ambassador Elliot L. Richardson, Mr. Edward W. Furia, and Dr. Marwyn S. Samuels were invited to the People's Republic of China (hereinafter referred to as "the PRC") to conduct discussions regarding activities that Milbank, Tweed, Hadley & McCloy, a law firm, and Furia, Samuels & Company, a trading and consulting firm (hereinafter referred to as "MFS"), each in its individual capacity and in cooperation with one another, might undertake to serve and to represent the interests of the PRC in matters primarily concerning legislative and administrative policies, regulations and actions in the United States of America (hereinafter referred to as "the USA") and the PRC leading to the improvement of trade relations between the USA and the PRC.

During this period, friendly discussions took place in the cities of Nanjing and Beijing between the principals of MFS and the authorized representatives of the PRC . Based on those discussions, it was agreed that the specific terms under which MFS might undertake such service and representation, and the issues for which MFS would assume specific responsibilities, would be further considered and agreed upon in consultation with the officers of The Embassy of the PRC in the City of Washington, D.C.

In August and September 1985, friendly and highly cooperative discussions took place in Washington, D.C. between the principals and associates of MFS and the officers of The Embassy of the PRC including, Ambassador Han Xu, Mr. Lin Zhiying, and Mr. Kong Fanchang (who, with their colleagues and successors, are hereinafter referred to as "The Embassy").

Based on these discussions, the scope of MFS responsibility and the terms under which MFS would undertake to serve and represent the interests of the PRC were further defined and agreed upon in accordance with the principles and goals identified below.

B. PRINCIPLES AND GOALS

Recognizing that improved commercial and trade relations between the USA and the PRC are in the best interests of the peoples and governments of both countries, as well as in the best and long-term interests of world stability and peace;

Recognizing that improved commercial and trade relations between the USA and the PRC must be founded on principles of mutual benefit and cooperation;

Recognizing that present or potential impediments to such improved and mutually beneficial relations have arisen and will from time to time arise from legislative or administrative actions, regulations, or policies, actual or contemplated, in the USA;

Recognizing that the PRC seeks means to address these impediments by all appropriate means, including the ongoing efforts of The Embassy in Washington, D.C.;

Recognizing that MFS wishes to assist The Embassy in these efforts and is able and willing to do so in accordance with the practices and laws of the United States;

Recognizing that MFS and The Embassy wish to establish foundations for an enduring working relationship based on the spirit of friendship, mutual benefit, and cooperation;

Therefore, MFS and the PRC have agreed to the following terms and conditions whereby MFS will undertake to serve and represent the interests of the PRC in the USA:

C. DUTIES AND RESPONSIBILITIES OF MFS

1. Countervailing Duties and Anti-Dumping Proceedings

- 1.1 MFS will inform and advise The Embassy and, pursuant to paragraph 1.4 below, will represent the PRC with respect to legislative and administrative proposals and policies involving the

application of countervailing duties and anti-dumping proceedings to the products of non-market economies in general and that of the PRC in particular.

- 1.2 For this purpose, MFS will assemble and analyze relevant data from all pertinent sources, communicating as necessary with representatives of the Executive Branch and the Congress of the USA and monitoring the deliberations of the concerned Congressional committees.
- 1.3 In carrying out these duties and responsibilities, MFS will maintain continuing liaison and consult closely with The Embassy in order to assure that any views communicated and actions taken by MFS on behalf of the PRC are fully coordinated with The Embassy.
- 1.4 MFS will carry out such representational activities with regard to countervailing duties and anti-dumping proceedings as may be jointly considered appropriate and necessary and as will be authorized by The Embassy, but, except as may be separately agreed on a basis covering the additional costs and compensation thereby involved, these activities will not include representation in any formal administrative or judicial proceedings or Congressional hearings.
- 1.5 MFS and The Embassy hereby agree to coordinate all information and efforts in this respect, and at the earliest date, jointly review current, outstanding, and projected legislative and administrative actions affecting the status of the PRC under the rules and regulations governing non-market economy countervailing duties and anti-dumping proceedings, and jointly consider and decide upon the appropriate course of action with regard thereto to be undertaken by MFS and The Embassy.

2. Analysis of Long-Term Trade Issues and Strategies

- 2.1 MFS will provide The Embassy with a comprehensive analysis and overview projected to the end of the present decade of legislative and administrative issues concerning the improvement and expansion of trade relations between the USA and the PRC.

- 2.2 On the basis of this analysis and overview, MFS will develop recommendations for the actions which in its judgment should be pursued by the PRC for the improvement and expansion of trade with the USA. These recommendations will address the strategies and tactics appropriate to the PRC's relations with the legislative and executive branches of the U.S. Government as well as with various concerned interest groups and the general public.
- 2.3 MFS will provide its analysis and recommendations in a written report, the final version of which will be submitted to The Embassy no later than sixty (60) days prior to the expiration of this Agreement. One or more interim reports may also be prepared for purposes of discussion, consultation and review with The Embassy during the term of this Agreement. In carrying out its responsibilities under this part of the Agreement, MFS will draw on existing data and will not undertake or commission new macro-economic or micro-economic studies except as may be separately agreed on a basis covering the additional costs and compensation thereby involved.
- 2.4 Although the responsibilities of MFS pursuant to this Agreement do not include the implementation of the recommendations made in the above-mentioned report, it is understood that the PRC will, when seeking assistance in such implementation, give appropriate consideration both to the qualifications and capabilities of MFS and to the services rendered by MFS pursuant to this Agreement.

3. Monitoring

- 3.1 Insofar as MFS may, in the course of carrying out its assignments under this Agreement, acquire information not routinely available that significantly concerns the interests of the PRC, including primarily but not exclusively information about trade and economic matters, MFS will report such information to The Embassy and advise The Embassy with regard thereto, but only to the extent that this can be done on a basis taking into consideration the time and effort already being devoted by MFS to its primary

out this Agreement, including expenses of postage, telephone, telex, messenger service, photocopying and reproduction of documents or other materials, local transportation, modest business meals, and other similar incidental expenses, and that MFS will not undertake major expenses such as those for long-distance travel or substantial business entertainment.

5.3 The first payment on account of the agreed retainer will be in the amount of US \$20,000 and will be due within four (4) weeks of the signing of this Agreement. Each subsequent payment will be in the amount of US \$10,000 and will be made quarterly starting April 1, 1986.


F. OTHER PROVISIONS

6. This Agreement is entered into on the thirteenth day of January 1986.

MILBANK, TWEED, HADLEY & McCLOY

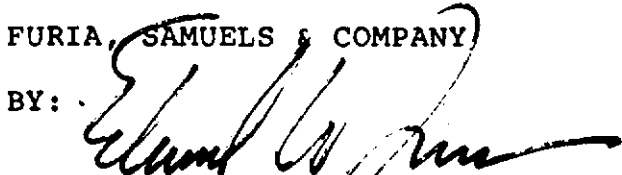
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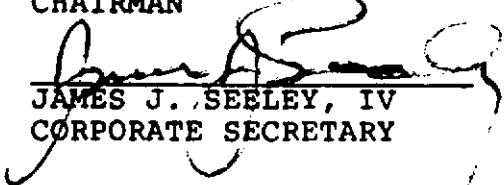

ELLIOT L. RICHARDSON


STANLEY J. MARCUSS

FURIA, SAMUELS & COMPANY

BY:


EDWARD W. FURIA
CHAIRMAN


JAMES J. SEELEY, IV
CORPORATE SECRETARY

duties and responsibilities under this Agreement.

D. DURATION OF THE AGREEMENT

4. Term of Trial Period

- 4.1 Both MFS and The Embassy recognize that the aim of this Agreement is to establish foundations for an enduring and mutually beneficial working relationship, and that it is intended to cover an initial, trial period after which MFS and The Embassy may wish to expand upon and otherwise amend the terms and conditions of this Agreement.
- 4.2 The trial period of this Agreement will extend for a period of one (1) year commencing as of the date of the signing of this Agreement and terminating twelve (12) months from such date.
- 4.3 Upon mutual agreement, at any time during the trial period MFS and The Embassy may expand upon or amend the terms and conditions of this Agreement.
- 4.4 No later than ninety (90) days prior to the termination of the trial period described in item 4.2 above, MFS and The Embassy will enter into discussions to review the terms and conditions of the trial period and begin considerations regarding the expansion or amendment of this Agreement.

E. COMPENSATION

5. Payments

- 5.1 In consideration of the services and representation provided by MFS as described in items 1, 2, 3 and 4 above, and for the trial period identified in item 4.2 above, The Embassy will pay to MFS a retainer for professional fees in the total amount of US \$50,000.
- 5.2 It is understood that MFS will absorb the minor out-of-pocket expenses incidental to carrying

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

BY:

Handwritten signature of Han Xu

HAN XU
AMBASSADOR
EMBASSY OF THE PEOPLE'S REPUBLIC OF CHINA
WASHINGTON, D.C.

Handwritten signature of Jiang Chengzong

JIANG CHENGZONG
COUNSELOR
EMBASSY OF THE PEOPLE'S REPUBLIC OF CHINA
WASHINGTON, D.C.

Handwritten signature of Kong Fanchang

KONG FANCHANG
FIRST SECRETARY
EMBASSY OF THE PEOPLE'S REPUBLIC OF CHINA
WASHINGTON, D.C.

UNITED STATES DEPARTMENT OF JUSTICE
REGISTRATION UNIT
CRIMINAL DIVISION
WASHINGTON, D. C. 20530

U.S. DEPARTMENT OF JUSTICE
CRIMINAL DIVISION

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INTERNAL SECURITY
REGISTRATION

NOTICE

Please answer the following questions and return this sheet in triplicate with your supplemental statement:

1. Is your answer to Item 16 of Section V (Political Propaganda - page 7 of Form OBD-64 - Supplemental Statement):

Yes _____ or No X

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

Yes _____ or No X

(If your answer to question 2 is "yes" please forward for our review copies of all such material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

Anthony D. Schlesinger
Signature

2/7/86
Date

Anthony D. Schlesinger
Please type or print name of signatory on the line above

Partner
Title