

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 INTERNATIONAL DEVELOPMENT SYSTEMS, INC.	2. Registration No. 4012
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3. Name of foreign principal PANAMA APPAREL ASSOCIATION	4. Principal address of foreign principal
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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 \_\_\_\_\_

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

- a) Branch or agency represented by the registrant.
- b) Name and title of official with whom registrant deals.

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  
Organized to protect Panama apparel producers

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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

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

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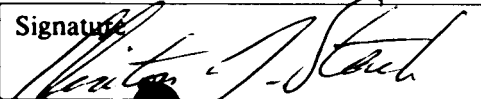
10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Controlled by its members who are apparel producers.

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Date of Exhibit A  
May 25, 1987

Name and Title  
Clinton J. Stack  
President

Signature  


**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
INTERNATIONAL DEVELOPMENT SYSTEMS, INC.	PANAMA APPAREL ASSOCIATION

Check Appropriate Boxes:

1.  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.
2.  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.
3.  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.

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

International Development Systems, Inc. prepared briefs for foreign principal on textile negotiations and advised on technical aspects of U.S. textile trade.

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

Preparation of briefs and advice in relation to U.S. request  
for textile consultations.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?<sup>1</sup>  
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.

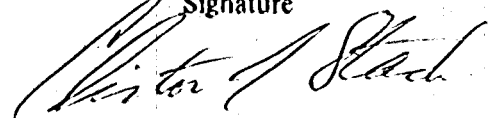
Date of Exhibit B

June 30, 1987

Name and Title

Clinton J. Stack  
President

Signature



<sup>1</sup>Political 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 a government of a foreign country or a foreign political party.

# INTERNATIONAL DEVELOPMENT SYSTEMS INC.

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733 15TH STREET, N.W.  
WASHINGTON, D.C. 20005

TELEX:  
4937290 IDS UI

202-783-0720

TELECOPIER  
202-783-0727

January 28, 1987

## PROPOSAL TO THE ASOCIACION NACIONAL DE FABRICANTES DE ROPA

The complexities of the United States textile and apparel import restraint program are extremely difficult to deal with without a reliable source of accurate and timely analysis and information. The International Development Systems, Inc. is a proven resource for countries attempting to anticipate, analyze, and understand the procedures and the negotiating strategies of the United States government.

This proposal sets forth the elements and conditions for an arrangement between the Asociacion Nacional De Fabricantes De Ropa (herein after "ANFR") and the International Development Systems, Inc. (herein after "IDS"), regarding the Panama/U.S. negotiations currently scheduled for February 1987 in Washington, D.C. These consultations have been scheduled as a result of a request for consultations on U.S. Category 645/646, (Synthetic Sweaters), under Article 3 of the Arrangement Regarding International Trade in Textiles (MFA).

Under this arrangement, IDS will provide to the ANFR an economic and analytical brief for the upcoming negotiations. The brief will analyze the United States' claim of market disruption in Category 645/646 which, in their view, justifies restraints on Panama trade in Category 645/646. The brief will show where the U.S. claim is weak and inconsistent with the fundamental requirements of the MFA. The brief will identify and explain the issues most central to the negotiations.

IDS will also provide the background and comparative statistics for these negotiations. These will include a listing of all U.S. sweater quotas so that any U.S. proposal can be analyzed within the overall context of the U.S. program. IDS is available, if requested, to travel to Panama to assist in the development of a negotiating position and to brief ANFR and the Panamanian Government on the likely impact of U.S. actions on

Panama's trade.

Professional fees for services will be billed on an hourly basis, not to exceed a total sum of \$12,000.

The hourly fees for IDS are as follows:

Clinton J. Stack	\$175
C. Donald Brasher	\$160
Senior Associates	up to \$100
Economists	up to \$75

The cap of \$12,000 would cover preparation of the brief and all other materials, presentation to and meeting with representatives of ANFR and the Government of Panama, and IDS assistance before, during, and immediately after the negotiations.

IDS will also be reimbursed for all out-of-pocket expenses including local transportation, telephone, telex, travel and living expenses outside of the Washington, D.C. area, copying of documents, secretarial overtime, business meals, and other expenditures excluding normal overhead expenditures. No major expenses such as overseas travel will be incurred unless specifically agreed to by the government of Panama.

If the above terms are acceptable to the ANFR, please sign and date two copies of this proposal returning one copy to IDS and retaining one copy for your records.

Respectfully submitted,

International Development Systems, Inc.

By: \_\_\_\_\_

Clinton J. Stack  
President

Approved & Accepted  
for the Asociacion Nacional De Fabricantes De Ropa

By: \_\_\_\_\_

Date: \_\_\_\_\_