

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
Reid & Priest (Registration No. 4223)	Korea Foreign Trade Association

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.

This Exhibit B form records changes in the information furnished in the Exhibit B forms filed on February 28, 1989, and September 13, 1989.

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

The attached letter, dated December 1, 1989, embodies the agreement between the registrant and the foreign principal. Upon agreeing to the terms set forth in the letter, an officer of the foreign principal signed the letter and returned it to the registrant. The registrant received the fully executed agreement on January 9, 1990.

The purpose of the agreement is to promote understanding between the United States and the Republic of Korea, specifically in the area of trade. In order to achieve this objective, the registrant will produce and distribute a document designed to demonstrate the Republic of Korea's record as a fair trading partner of the United States.

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OFFICE OF REGISTRATION  
FEB 19 1990

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

The registrant will be responsible for writing the text of a document and arranging for its publication and distribution.

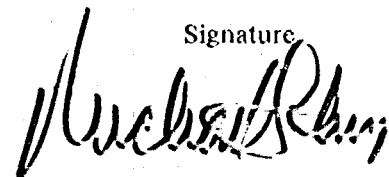
6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?<sup>1</sup>  
Yes  No

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.

The registrant will be responsible for the distribution of a document constituting "political propaganda" as defined in Section 1(j) of the Act.

Date of Exhibit B  
January 19, 1990

Name and Title  
Michael W. Faber  
Partner

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.

# REID & PRIEST

1111 19<sup>TH</sup> STREET, N. W.  
WASHINGTON, D. C. 20036  
202 828-0100

NEW YORK OFFICE  
40 WEST 57<sup>TH</sup> STREET  
NEW YORK, N.Y. 10019-4097  
212 603-2000  
CABLE ADDRESS: "REIDAPT"  
TELEX: 7105816721 RDPT NYK  
220534 RDPT UR  
FACSIMILE: 212 603-2298

WASHINGTON OFFICE  
TELEX: 440630 RP WASH  
FACSIMILE: 202 466-2327  
202 659-1611  
DIRECT DIAL NUMBER

December 1, 1989

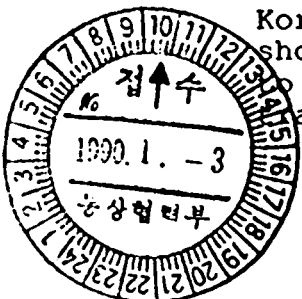
Mr. Yang-Kee Park  
General Manager  
Trade Corporation Department  
Korea Foreign Trade Association  
Room 4702, Trade Tower, KWTC  
159-1, Samsung-dong, Kangnam-ku  
Seoul, Korea

Dear Mr. Park:

This responds to your request to submit a proposal for producing a document on behalf of the Ministry of Trade and Industry, designed to promote understanding between the two countries in the trade area, with characteristics substantially as described below:

A. Background and Objectives

The United States Trade Representative ("USTR") is supposed to go through another round of designation of unfair traders next spring under the so-called section "Super 301" of the 1988 Omnibus Trade and Competitiveness Act. The USTR is also expected to issue, by March 1990, National Trade Estimates which will be used as the basis for the Super 301 designation. This report will analyze the extent to which Korea's market is open and possibly the degree to which Korea has lived up to its agreements with the United States reached as a result of this year's Super 301 negotiations. Meanwhile, Minister Seung Soo Han of MTI and Commerce Secretary Mosbacher are scheduled to meet in the middle of February in Washington to discuss pending trade issues between the two countries. Minister Han is also expected to meet many political and other opinion leaders during this visit. Minister Han's visit will have a very significant importance in that his visit, timed to be just prior to the release of the National Trade Estimate, can play a pivotal role in forming perceptions in the minds of Americans about Korea as an international trader. In that respect, his visit should be utilized to attract the maximum attention and also spread the best possible image of Korea as a free and fair trader. There can be a number of useful events that could be



organized here in Washington during his visit, which include:

- A press conference or informal meeting with leading trade-related reporters, in which Minister Han can explain Korea's achievements so far and the difficult environment Korea is coping with;
- A reception which Minister Han gives, where top management of those corporations which have operations in Korea are invited, along with the congressmen representing the district where those corporations are located in the U.S.. This kind of event can serve as a very useful vehicle where Korea can establish an indirect access to the U.S. congressmen and other political leaders through corporations which have direct interests in Korea. These relationships, if properly developed, could serve as a basis for Korea's more comprehensive lobbying efforts in the U.S.
- Separate meetings for breakfast, lunch or cocktails with congressmen who represent districts which have large exports to Korea of the same or similar kind, such as agricultural products. For example, all congressmen representing tobacco-producing districts or states could be invited to a breakfast meeting. These meetings can be very useful in that all attendants will have common interests and Minister Han will listen to their problems in person and will be seen as a person with authority to help them in concrete ways. Such a setting will provide a better setting in which Minister Han could request their support for Korea's position in the U.S. Minister Han's explanation of the unique situation in Korea constraining Korea's option will enhance their understanding. On the other hand, by correcting the sources of legitimate complaints communicated in this kind of meeting, a genuine relationship could develop between the Minister and the congressmen who made such complaints.

In all of these events, it will be very useful to have a document that shows the record of Korea's concrete market-opening measures and how Korea, as a responsible and responsive partner of the U.S., has faithfully lived up to its agreements with the U.S. If a document like that could be prepared and distributed in conjunction with Minister Han's visit, that would attract more attention and establish a very favorable atmosphere and setting for Minister Han's visit. The document could

also be distributed to each attendant of meetings with Minister Han. The document should convey the following message:

- That Korea is a responsible and responsive trading partner, not only in words, but in deeds. Being responsible would mean that Korea, continuing its market-opening efforts, has faithfully lived up to its agreements and commitments made last May, as well as other international obligations Korea has as a major trading power in the world. Being responsive would mean that Korea, faced with massive trade deficits experienced by the U.S., has been the one country, among comparable countries, which showed the greatest decline in its trade surplus with the U.S. There are other pending issues facing the two countries which both countries are sincerely endeavoring to resolve and which will probably be resolved.
- This responsive and responsible attitude displayed by Korea makes Korea uniquely qualified as a true partner of the U.S. in future endeavors in which both countries may engage. A number of possibilities exist where both countries could cooperate and work together for mutual benefits. The responsive and responsible behavior of Korea proved conclusively that Korea is not a second Japan, but a country which can be truly relied upon.
- Korea's responsive and responsible behavior comes at a time when Korea is experiencing a drastic decline in its economic fortunes; namely, in exports, in productivity, in inflation, in unemployment, etc. These setbacks and problems are something that no competitors of Korea have recently experienced. As a partner, the U.S. should look at Korea with a great deal of concern, encouragement, and patience, given Korea's clear and undeniable commitment to be a responsive and responsible partner of the U.S.

#### B. Implementation

We propose to produce one document which intends to carry messages substantially described above. The document will have much the same broad characteristics as our earlier short version document, Responsive and Responsible, so that readers will identify a continuity in both reports and thus better appreciate the continuing progress of U.S.-Korea relations. We propose to publish only one report, rather than two like the previous time, because the general perception of Korea is in a much improved state when compared with last spring, and we should not give an

impression of overkill. As you would remember, both of the documents published last spring were received very favorably, and generally considered to have contributed substantially to Korea's avoidance of the Super 301 designation.

1. Style: The paper will be written in a style which makes its message clear and easily comprehensible. It will make use of graphs, charts and other materials that are visually appealing to the reader.
2. Length: The length of the paper will be 15 to 25 pages.
3. Physical characteristics: As with the earlier report, this paper will have black and white print. We will use paper of 8-1/2 by 11 inches, first-class quality, and saddle stitching binding.
4. Publisher: We recommend putting MTI as the publisher of the document, although we understand that there is a line of thought favoring some other entity as the publisher. The reasons are:
  - there will be a continuity with the last documents;
  - the document will fit with Minister Han's visit; and
  - the document will carry more authority.
5. Dissemination of report:
  - a. Audience: The paper will be addressed to the same wide audience of individuals in the U.S. which have an interest in Korea. They will include government officials, leaders in media and international business affairs, selected prominent academics, trade association representatives, etc. Thus, we will base our list on the 3,000-name mailing list which was compiled for the previous report. This list will be systematically updated so as to ensure that the right people receive the reports, and the number could change slightly as a result of the updating.
  - b. Cover letter: As in the earlier project, each paper will be accompanied by a cover letter which explains the significance of the document, draws attention to the paper, and which requests comments from the reader regarding the material. Four different letters will be drafted, including:
    - (1) One for government officials involved in trade matters or Korean affairs.

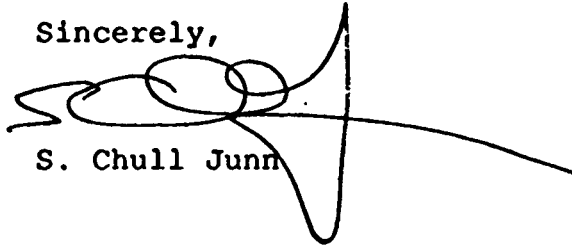
- (2) One for reporters, editorial writers and other individuals who have influence in these matters.
  - (3) One for academics and think tank scholars.
  - (4) A general cover letter to any individual who does not fall within the other three categories.
5. Timing of Activities: The document will be ready for distribution at least three days prior to Minister Han's arrival in the U.S. which is scheduled to be around February 10, 1990.
6. Costs: The following are our estimates, based on our usual hourly rates and our past experience, for the completion of this project of producing a document such as described above. (For any other possible event, such as the media event or reception, it would have to be a separate program for which we will need to submit a separate proposal.) Unlike our last project, our proposal is based on an estimate basis, not a quotation basis, because of the difficulties of giving a quotation which is consistent with the actual time spent or disbursements incurred.
- a. Lawyers' time: Plan the course of action, research selected issues, draft the document, edit the document, verify facts, supervise the process, and other activities as necessary: \$50,000-\$57,000
  - b. Public relations activities: We will probably be hiring one or more outside public relations specialists who will advise us on how to make the document readable and appealing to large groups of decision-makers: \$ 5,000-\$6,000
  - c. Printing and typesetting costs: \$20,000-\$24,000
  - d. Updating mailing list: \$ 1,500-\$2,000
  - e. Preparation of cover letters and printing: \$ 3,000-\$4,000
  - f. Messages, labeling and postage: \$ 4,000-\$7,000
- TOTAL: \$83,500-\$100,000

KFTA will be responsible for the payment of fees and disbursements incurred in connection with this project. Upon the

signing of this agreement, KTFA will pay, as a retainer, a certain amount which its budgetary situation allows.

If the above is acceptable to you, please sign where indicated below and return one signed copy to us.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Chull Junn', written over a horizontal line. The signature is stylized with loops and a long tail.

S. Chull Junn

Agreed to by Korea  
Foreign Trade Association

by:   
Yang-Kee Park, General Manager  
Trade Corporation Department

cc: Mr. D. Y. Hwang (MTI)  
Mr. N. H. Cho (KFTA-Washington)

SCJ:sd