

With reference to foreign investment, MITI clearly stated that in principle it disapproved of foreign investment of 100% as well as joint ventures. MITI officials said that the most satisfactory arrangement for investment in Japan is through licensing agreements. The Mission explained to the MITI that from the U. S. point of view licensing agreements often proved to be unsatisfactory because of the relatively modest return, plus the fact that the licensor lost its patent within 10 years. Such licensing agreements proved to be not much more than a "give away."

Members of the Mission strongly urged Japanese Government officials, including MITI, that all it asks from the Japanese is the same treatment that the United States is giving Japan; that Japan should be reciprocal; that the U.S. does not fear Japanese competition but welcomes it; that foreign investment in Japan should be the same as foreign investment in the United States - up to 100%; and that there should be no hidden barriers or restrictions on importation of American products into Japan.

The Export-Import Bank's program of 5- to 20-years at the rate of 6% per annum met with considerable approval during the discussions with the Japanese. Therefore, the Finance Ministry of Japan should always be contacted in regard to American investment in Japan and financial arrangements in connection with importation of machine tools as it has concurrent jurisdiction with MITI in regard to these matters.

Japanese manufacturers complained of the delay in delivery of American machine tools by the U. S. manufacturers. The Mission urges that the U. S. industry attempt to rectify this barrier to increase sale of U. S. machine tools to Japan.

Some Japanese firms, it was learned, are copying American machine tools and selling them in Japan as their own product. This often places American manufacturers in an embarrassing situation.

The Honorable Min Yung Um, Korean Ambassador to Japan, met with members of the Mission and stated that Korea was interested in American investment up to 100% and would give fringe benefits and also help finance American investment in Korea. It was further stated that there was no problem of selling American machine tools in South Korea and that further effort should be made to contact interested companies in Korea for the purchase of American machine tools.

The news media on the work of the Mission has been excellent.