

DISCUSSION OF TRADE AND INVESTMENT CLIMATE

IN JAPAN FOR U. S. MACHINE TOOLS

The talks of this Mission with the Japanese were forceful and it is believed they had a real impact on all with whom discussions were held. It was ascertained, not only from some top government officials but also industrial leaders, that career bureaucrats in government positions are making policy for Japan. The members of the Mission spoke forthrightly which apparently was appreciated by the Japanese. Many of the leaders of the Japan government were completely disgusted with MITI's handling of industrial problems and so expressed themselves.

Meeting With MITI Bureau Chiefs

Mr. Michiyoshi Kawada, Chief, International Economic Affairs Division, who was also Chairman of the MITI group at the meeting between MITI officials and the members of the Mission, advised that Japan was still in poor straits and still a half-developed nation and that it was trying to build itself up to a fully-developed country.

Toshihiko Nishiwaki, Chief, 1st Overseas Market Section, MITI, stated that as far as he knew, regarding machine tools, with few exceptions, there are no problems in issuing licenses and, as far as he knew, there are no quotas. The only restrictions are: (1) on planing millers over 2,000 millimeters; (2) planers over 2,000 millimeters; and (3) used machinery. Other than these three exceptions, there are no problems in the importation of liberalized machine tools. He was asked by members of the Mission how many applications regarding machine tools had been received and how many approved. He was unable to give the answers and said that they would try to keep a record of same in the future. He went on to say "when the businessman is in the low, Japan has to be careful."

Mr. Toshinobu Wada, Bureau Chief of MITI, said that all American machine-made tool applications were immediately approved with the exception of the three mentioned above by Mr. Nishiwaki. But when asked as to approval of the terms of payment, he attempted to evade the question. However, he answered that, although an application for machine tools may be approved, an additional approval of financial arrangements is still necessary. In other words, there are two steps in MITI concerning the importation of machine tools of America into Japan: (1) approval of the application; and (2) approval of the method of payment.

It was admitted reluctantly by MITI officials that this may be a hidden barrier since Japan does not have the dollars that "become a