

Mr. Kawada ended the meeting by saying that it was a most enlightening and productive discussion and that it would enhance the position of liberalization of machine tools and investment in Japan. He refused to give any date as to when this might occur but stated that it was hoped that it could be done in the very near future.

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 United States 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 meeting with MITI was later discussed with Mr. Etsusaburo Shiina, the Minister of International Trade and Industry, and he was told that the meeting with the MITI officials was most unsatisfactory and the reasons why. Mr. Shiina was sympathetic and stated that he would look into the entire picture and try to see if something could be done to correct the situation.

The Mission met with Mr. Nobusuke Kishi, former Prime Minister and brother of Mr. Eisaku Sato, the present Prime Minister. In this connection, it should be noted that the Minister of International Trade and Industry, Mr. Shiina, is a close adherent and disciple of Mr. Kishi. The members of the Mission explained the entire problem to Mr. Kishi. Mr. Kishi was most agreeable and apparently realized that Japan must assume added responsibility. He recognized that Japan is handicapped with small business interests which MITI overly protects, and something must be done to rationalize this situation.

Naoki Hoshino, former Finance Minister and noted economist of Japan, stated that last fall the Japanese auto industry was cold and unyielding in its conference with the United States. He said they obviously were tough and that leaders of the Japanese industry realized it. He said that conditions are changing and leaders of Japanese industry are sympathetic with the American auto industry. He feels that the Japanese auto industry will be in trouble. He felt that, under this present gold crisis, it would be in Japan's best interests to do everything practicable to help the United States because "as the dollar goes so does the yen."

According to Mr. Hoshino, Japan prides itself on its economy and when their own reckless economic spending gets them into financial difficulty, where do they run - to Washington, of course. This prompt help goes beyond America's self-interest. Certainly the United States goes beyond what one could expect from a constantly maligned and abused neighbor.