In a discussion with Mr. Mosuki Kitoku, General Counsel and Vice Minister of the Ministry of Finance, he advised that the approval of financing of imports into Japan is a primary responsibility of the Finance Department and that it has no objection in approving any financial arrangements involving joint ventures and importation of American machine tools into Japan despite MITI's protective attitude.

It also appeared that the Ministry of Finance and the Ministry of International Trade and Industry did not see eye-to-eye on matters involving trade with the United States. Mr. Kitoku stated that there was too much 'red tape' in MITI and, at the same time, an overly protective attitude towards Japanese small business. It was gained from the meeting with Mr. Kitoku that anyone interested in joint investment in Japan and financial arrangements in connection with exportation of tools to Japanese firms would be wise to contact the Ministry of Finance in regard to any problems which may arise in regard to same. In view of Mr. Kitoku's statement, it seemed that American industry would have few problems with the Japan Ministry of Finance and, in the future, American firms might be wise not to consult with MITI alone but also with the Ministry of Finance.

In several of the discussions, when the question arose concerning U.S. Congressional surcharge on all imports, Mission Member Tom Rudel stated that a 5% surcharge on imports to the United States should not affect Japanese industry inasmuch as (1) this surcharge applied to all countries; (2) the rising prices in the United States would more than counteract the 5% surcharge. It was further pointed out by him that this is the time to buy machine tools because of the high-rising prices in the United States and the Export-Import Bank's program, which was of much interest to Nissan Motors. Nissan and others stated that one of the problems in purchasing American machine tools is the delay that occurs in the delivery by American manufacturers and that, because of this delay, some machine tools were imported from Europe. It is recognized by the automobile companies, Toyota Motor Company, Ltd. in particular, that machine tools are the heart and core of all manufacturing and that, if Japan wishes to go ahead, it must be able to purchase the latest and best of the machine tools made. Their only objection to American machinery is the poor delivery.

In summary, those who favored the American position in regard to the importation of machine tools into Japan and also foreign investment included: Nobusuki Kishi, former Prime Minister; Naoki Hoshino, former Finance Minister; Okinori Kaya, former Finance Minister; Taizo Ishizaka, President of Kiedanren; Japan National Business Council; leading industrialists such as Sumitomo Shoji Kaisha and Toyo Kogyo, Iaiichi Ayukawa, and Mr. Kitoku of the Finance Ministry.