

Those who showed opposition included: Ministry of International Trade and Industry Bureau Chiefs, members of the Japan Machine Tool Builders Association and members of the National Federation of Small Business.

For the purpose of clarifying a situation which may arise, it was learned that many Japanese representatives of American firms are reluctant at times to admit that they can not handle the sale alone and, rather than lose face, they would rather lose the sale than bring in additional assistance from the American company which they represent. Therefore, whenever an American corporation feels that their Japanese representative is not in a position to fully explain details and technological products, it is advisable to send someone to assist the Japanese representative despite such representative's protestations.

It was also learned from various sources that some Japanese firms are copying American machine tools and selling them in Japan as their own product.

It was also learned that it was very difficult for American firms to police the Japanese firms who were selling U.S.-manufactured items to the Communist Chinese, although they had made agreements and commitments to the American firms not to do so.

It might be mentioned that during all of our discussions, both with industry and government officials, the Export-Import Bank's liberalization program for financing from 5 to 20 years at the rate of 6% seemed to be of great interest to everyone and many questions and answers were devoted to the discussions. It appears that the Export-Import Bank's program is not too well-known except by the major industries in Japan.

It is the conclusion of the members of this Mission that Japan has reached the importance in the world of industry which its capacity and ability merit and that she must liberalize all restrictions against investments and cast aside the unfounded fears many of her government officials share, for example, that the U. S. businessman may "gobble up" her industry entirely. It is the belief of this Mission that the progress and production of Asia will draw entirely on the present political direction of Japan. However, other countries like South Korea, Malaysia, Thailand and Indonesia are now showing confidence and vitality in their desire to increase their potential industrial capacities. Korea indicated this in its meeting between Mission members and the Korean Ambassador in Japan. This, Japan should be aware of and that competition of such nature will be faced in the future should it not open itself to further direct investment by U. S. manufacturers and others.