

The Mission received excellent publicity, not only in the press but in the industrial and trade magazines in Japan. One item printed by the Nihon Keizai Shimbun, Ltd. (Japanese Economic Journal) of April 2, 1968, quoted an interview with members of the Mission as follows:

"Movie-Eye" (Column to introduce leading financial and industrial figures).

"The Mission remarked "Japan has grown up to an age at which she should take her own responsibilities. When I visited Japan with the Machine Tool Trade Mission in 1962, we urged MITI to accelerate liberalization of capital, however, we have found out, to our regret, that the promise made by MITI then has not been supplemented yet, though six years have elapsed since then. Concerning liberalization of importation of machinery, the door has not been opened hundred percent yet. We feel that liberalization of capital in Japan has been very much retarded and I should say that the steps being made by the Japanese Government toward capital liberalization are even going backward." The requests toward Japan sound pretty severe from the beginning in the interview. The interviewer refuted the statement made by Mr. Morgan saying that the Japan has been making strenuous efforts toward liberalization of capital under its five year plan. But Mr. Morgan pointed out that the Japanese Government has been so slow in effectuating the plan of liberalization. He continues, "In the trade between Japan and the United States, Japan enjoys a favorable balance: In consideration of the off-shore military procurement in Japan amounting to \$505,000,000 in addition to the favorable balance of her regular trade with the United States, Japan is placed in a very favorable situation economically. Machine tool exports from the United States to Japan are estimated at \$12 million a year in value, while Japan sells the U.S. her machine tools twice as much as she buys from the U.S., that is, the Japanese exports to the U.S. amount to \$24 million." "Especially in the past 5-8 years the level of Japanese machine tools has risen to a great extent and strengthened its international competitive power" one of the mission members who attended the interview pointed out. It is true that the total exports of machine tools from Japan last year enjoyed 27 percent increase compared with previous year when the industry enjoyed the exports amounting to \$49 million, but the industrial circles view that only one percent increase is expected this year in the export of machine tools to the United States on account of the strengthening dollar defence measures being applied in the United States. For the Japanese industry, the controversial import surcharge in the U.S. is a very serious problem." Mr. Morgan's comments on the import surcharge are as follows: "We have been given hundreds of questions about this problem in the meetings we have had and we explained the situation of the U.S. in each of the meetings." Mr. Morgan continued, "I am afraid that