In France, any foreign firm wishing to invest must apply to the Minister of Finance for permission. This covers foreign takeovers, foreign purchases of outstanding securities where control is involved, establishment of new subsidiaries and major expansion of old ones where control is extended. The application for investment is first reviewed informally by the Minister of Finance. It is then considered by a foreign investment committee made up of officials from the relevant government departments and agencies, who review it carefully and make recommendations and send it for final decision to the "Grand Comité" of Investments, which is composed of Ministers and the Governor of the Bank of France. Legally these committees act in an advisory capacity with the Minister of Finance having the legally binding decision.

Licensing agreements in France must be approved by the Ministry of Industries which has to ensure that the agreed payments are not excessive for new technology. In general, French financial and industrial policies supporting domestic developments have been positive, emphasizing and encouraging the need for the build-up of their own industries to compete with United States firms.

3.22 *The United Kingdom* A firm wishing to invest in England must file an application with the Bank of England which acts as an agent for the Treasury in the matter. Government Ministries examine the applications for investment from the point of view of their own responsibilities for particular industries. In some cases, for instance in 1960 when Ford bought out domestic shareholders, the government requires "assurances" from the foreign firm on numerous aspects of its performance such as commitment to expand further, to plow back a high proportion of profits, maintain continuity in management policies, continue to obtain a high proportion of its components in the United Kingdom and to keep its exports high. Further, their policy is designed to encourage foreign firms to locate in depressed regions and to rationalize industry.

3.23 *Japan* In Japan, the Foreign Investment Council makes the final decision on whether foreign investment or technology should be allowed on the basis of a sub-committee report on which various Ministries are represented. The main burden of the examination of each application lies with the Ministry of International Trade and Industry. In general, the Japanese policies toward foreign investment have been very restrictive, largely excluding foreign capital and controlling inward flows of technology. The government has exercised strong pressure to encourage licensing rather than direct investment. Where direct investment is allowed, a majority interest to foreigners is rarely pemitted. The government surveillance ensures that, as far as possible, any agreement between a foreign and a Japanese firm does not lead to Japanese "dependence" or cost too much. Recently, joint ventures have been permitted which allow a foreigner to have a 50%interest, and in rare cases more than this, especially when there is a Japanese firm strong enough to compete effectively. However, no foreign take-overs are allowed in important economic sectors.

The Japanese Foreign Investment Council also becomes involved in negotiations concerning the production of new products in Japan. The Japanese are