

catch a glimpse, through an elaborately carved gate, of a Zen-inspired inner garden. The tour then winds past a stretch of the old moats, before concluding at Kenroku Park. Completed by the Maeda lords in the early 1800s, Kenroku is celebrated as one of Japan's three most beautiful gardens. The reputation is well deserved, for the garden combines flowering trees with the use of moss, water and open vistas in a way that both calms the soul and opens the imagination to the very special wonders of Japanese aesthetics.

A second tour that should delight most visitors is the Temple Ward Course, a stroll through the temples that were clustered together in the 1610s. With an advance reservation, one can even visit the so-called Ninja Temple, an ordinary enough looking temple from the outside, but equipped inside with emergency escape routes through secret stairwells, hidden rooms and trick doorways. This tour ends at the Kutani pottery kilns where visitors can watch the potters in action.

Observing the old crafts being made is easy in Kanazawa. Numerous small workshops dot the cityscape and delight the stroller, but the most convenient place to catch a quick look at many different crafts is the Kanko Bussan-kan, near Kenroku Park, where artisans turn out gold leaf, lacquer, pottery, Yuzen silk and other local specialties. Those especially interested in Yuzen silk can also visit the Saihitsu-an Yuzen Silk Center, where they can watch artisans apply the colorful patterns and hear an explanation of the entire 18-step process. Having seen the crafts being made, most tourists cannot resist buying some. They are sold throughout the city, but the Ishida, downtown on the main street in Katamachi, and the shops on the street between Katamachi and Kenroku Park seem to have the best selections.

The list of places to visit and things to do in Kanazawa seems endless. The Morihachi cake shop has been selling traditional-style Japanese sweets for some three hundred years, and the Nakaya family has operated its pharmacy at the same downtown location even longer, over four hundred years—and they will still mix up for you a portion of their secret formula "purple snow," a catchall remedy for the infirmities of old age. The noh theater, built by the prefectural government in 1972, presents a variety of classical dance and musical performances, with noh productions usually scheduled for Sundays. Those with a taste for tea should try to participate in the tea ceremony held on the 27th of each month in the 300-year-old tea house built under the direction of Sen-no-Soshitsu at Hasudera Temple; the memorial services for the same tea master on the 23rd of each month at Gesshinji Temple; or the memorial tea ceremony on the 17th of every month at Ryukokuji Temple for the soul of Miyazaki Yuzen. Kanazawa also abounds in wonderful museums. Three are near-musts for any visitor. The Prefectural Local History Museum is housed in a delightful Meiji-era red brick building and features a large relief map of Kanazawa as a castle town, complete with push-button lights to illustrate famous buildings and sections of the town. Nearby, the Prefectural Art Museum, designed by the internationally-known architect Yoshiro Taniguchi, mounts shows of western and Japanese art. Finally, the Honda Museum displays that family's treasures. The Hondas served as advisers to the Maeda *daimyo*, and this collection, housed on the former site of the 300-room family mansion, permits a rare glimpse into the lifestyle of the wealthy elite members of the old samurai class.

Of food and festivals

Any time is suitable for a visit to Kanazawa, but each season offers its own particular delights. Spring brings *takenoko* (bamboo shoot) cooking and, in June, on the anniversary date of Maeda Toshie's entry into Kanazawa in 1583, the city celebrates the Hyakumangoku Festival, with an all-day tea ceremony in Kenroku Park, a geisha show and a parade around the castle by men in traditional samurai costume. The fall colors spread through Kenroku and the temple gardens in late October, and while snows are deep from January, winter appetites can feast on plump sweet shrimps, crabs and other tasty treats from the Japan Sea. Kanazawa is less than an hour from Tokyo by plane (five and a half hours by train), and rooms are plentiful, either in inns (try the Kincharyo, where the Reischauers slept) or modern hotels such as the New Tokyo. Best of all, there is a wealth of help for the English-language speaking visitor. The Kanazawa City Tourism Section in City Hall (tel. 0762-20-2194) offers information and pamphlets on just about everything, while the Hokkoku Culture Center (0762-32-1377) will arrange a personal guide for a nominal fee. Before going, be cer-

tain to get a copy of Ruth Stevens' wonderful guide book, *Kanazawa: The Other Side of Japan* (it lists the telephone numbers and locations of all sightseeing spots). Those wanting to know more about the city's history should see my *Kanazawa: A Seventeenth-Century Japanese Castle Town*. The past lives with the present in Kanazawa, creating a city that is boldly different from Tokyo, and is a fascinating introduction to life in a traditional regional setting.

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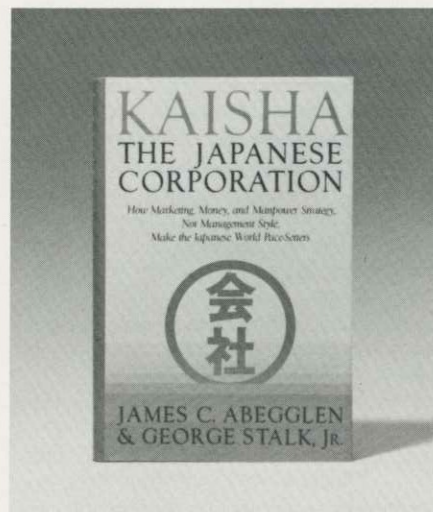
Bookshelf

Kaisha, The Japanese Corporation

By James C. Abegglen & George Stalk, Jr.
Published by Basic Books, Inc.
1985, New York
309 pages; \$14.95

There are so many books in English on the Japanese economy and Japanese business that one wonders if there really can be anything to add to the tales of Japanese management, Japan, Inc. and all the rest. Apparently there is. *Kaisha, The Japanese Corporation* by James Abegglen and George Stalk, Jr. is distinguished by its fresh perspective and the importance of its implications.

Founder of the Boston Consulting Group's Tokyo Office, Abegglen is currently director of the Graduate School of Comparative Culture at Sophia University in Tokyo. Over the 30-odd years since he introduced the uniqueness of the Japanese employment system to the world in his now-classic *The Japanese Factory*, Abegglen's understanding of Japan has grown and matured. He does not miss any of the subtle aspects of Japanese business practices that are important for a deep understanding of the *kaisha* but that may not be clear to



casual foreign observers. Stalk is an energetic young vice president of the Boston Consulting Group's Tokyo Office, 70% of whose clients are now Japanese *kaisha*. His engineering background has enabled him to grasp the primary importance of the efficient work organization of the *kaisha*.

The happy combination of these two authors' talents and expertise has made *Kaisha*, spiced with colorful anecdotes, unparalleled in terms of accuracy and depth of coverage. Their respective contributions are well blended.

So useful did I find this book that I made it required reading for my Japanese economy students at Stanford this year. Because I was scheduled to attend an important conference in Tokyo—which I did not want to miss because it was a chance to hear Abegglen in person—just when I was supposed to be starting the course, I decided to assign the book as reading during my absence. I knew that *Kaisha* would stimulate my students' interest in the Japanese economy, but even I had underestimated its impact.

The previous year, I had had 45 students, and before I left for the Tokyo conference I had the Stanford bookstore order 60 copies of *Kaisha*, thinking that five dozen would be more than sufficient. Imagine my amazement then when I returned to Stanford a week later to find that more than 130 students had enrolled in the Japanese economy course! This had sparked a frantic rush on *Kaisha*, but eventually everyone got a copy.

Kaisha is precisely the kind of book students just starting to study the Japanese economy should be exposed to before they are polluted by the stereotyped notions of Japanese management bruited by shallow journalists and quasi-academic writers. Needless to say, the book is highly recommended for managers and general readers as well.

It is full of useful information and thought-provoking ideas, but in my opinion *Kaisha*'s most important message is that the primary reason the Japanese *kaisha* has become such a formidable competitor and pacesetter in world markets is to be found neither in the Japanese government's farsighted industrial policy nor in the traditional paternalistic management style, but rather in the adaptability of the *kaisha*'s manufacturing system and its internal drive to technological leadership. As consumer requirements become increasingly diverse and versatile, and as technology becomes increasingly sophisticated to meet the changing market environment, the industrial era based on the exploitation of economies of scale and focused mass production is rapidly giving way to a new era in which the ability of enterprises to adapt complex production systems flexibly, swiftly and inexpensively to diverse and unpredictable market challenges determines their competitiveness.

The authors argue with convincing facts and illustrations that the Japanese *kaisha* has been moving ahead in meeting this challenge by inventing more efficient workshop organization, speedier intra-firm coordination

mechanisms, more efficient supplier systems and much more. This point may be particularly disturbing to Western businessmen who have wishfully thought that the Japanese *kaisha*'s competitiveness is simply due to the protection of domestic markets or, until recently, the undervaluation of the yen. It also presents a challenge to economists who have traditionally treated the firm as a technical black box and market competitiveness as the focal point of efficiency. Japanese competitiveness poses a challenge to traditional market-centric economic thought.

Readers may wonder, as many of my students at Stanford did, whether the Japanese way of organizing production and internal organization can be transplanted. The authors of *Kaisha* appear to believe that this can be done, although 30 years ago Abegglen was quite explicit about the cultural uniqueness of the Japanese employment system. Yet the Japanese practices of flexible work assignments and job rotation do not seem to be easily transplantable to soil where so much value is placed on specialization. The effectiveness of the so-called *kamban* (just-in-time inventory) system, for example, which speedily coordinates the flow of information and goods between workshops as well as between primary manufacturers and suppliers, relies on knowledge-sharing and mutual trust between the separate units as developed in the context of long-term relations.

Are such intimate relations between manufacturers and suppliers, or non-hierarchical coordination between shops, possible in the Western world? Will the development of communications technology make it possible to simulate Japanese-style communications and coordination without the tradition of cultivating close human contacts in the workplace? These are, in my opinion, among the most fundamental issues raised today as regards the future of the informational-industrial society. Although *Kaisha* does not answer these questions directly, it has made a most valuable contribution by posing the questions.

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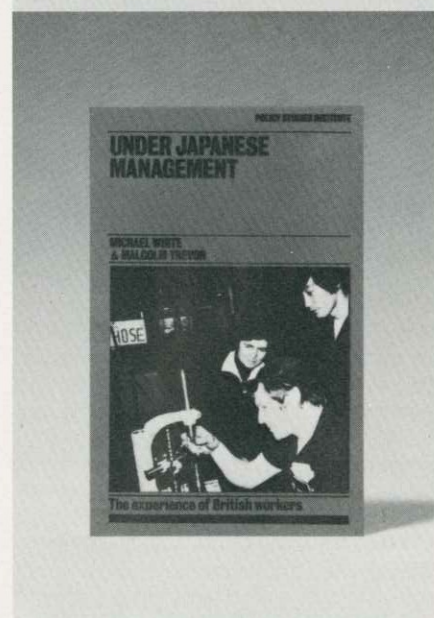
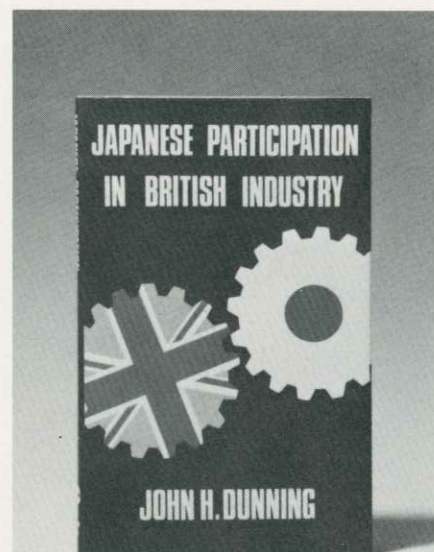
Japanese Participation in British Industry

By John H. Dunning
Published by Croom Helm Ltd.
1986, Kent, Great Britain
207 pages; £25.00

Under Japanese Management

By Michael White & Malcolm Trevor
Published by Heinemann Educational Books Ltd.
1983, London
162 pages; £6.50 (pbk.)

Both of these books were written by British authors looking at Japanese compa-



nies' operations in England, but from different perspectives.

Japanese Participation in British Industry is a comprehensive macroeconomic analysis of Japanese investment in the U.K. written by John H. Dunning, a world-renowned authority on multinational corporations. Dunning's careful analysis of Japanese manufacturers' direct investment impact on the British economy does much to dispel suspicion and misunderstanding within the U.K. regarding Japanese corporations.

Dunning focuses on the 27 manufacturers among the approximately 400 Japanese companies in Britain at the end of 1983. Japanese direct investment in the U.K. has a relatively short history, commencing in the 1970s on a very small scale. Sony was the first to set up a British manufacturing plant in 1972 and the scale of Japanese direct investment in the U.K. has since gradually grown to encompass even NEC's 64K-RAM manufacturing plant in Scotland.

Two factors have been primarily responsible for drawing Japanese companies, particularly electrical appliance manufacturers, into Britain: the attractive terms being offered by regional development agencies anxious for expanded employment opportunities and direct investment's potential for alleviating the tension generated by massive exports of color television sets, video cassette recorders and other home electricals to the British market. Japanese manufacturers have been further prodded into direct investment by the growing tariff and non-tariff barriers being erected by protectionists in the United States and the European countries.

Whatever the reasons, direct investment and industrial cooperation are all for the good, but investment and cooperation concentrated in only a few fields and regions, warns Dunning, could lead to new forms of friction that are as difficult to surmount as the trade friction they are meant to resolve. Right now Japanese companies account for only a small percentage of manufacturing in Britain, but their numbers are steadily increasing and it will not be long before measures will need to be implemented to avoid new forms of friction.

Dunning concludes that the British national and regional governments must further liberalize their investment climates to encourage more Japanese direct investment, sensible advice with which I fully concur. His succinct

conclusions at the end of each chapter are highly persuasive and make for easy reading. *Japanese Participation in British Industry* is probably the most authoritative text on Japanese direct investment in Britain and should be required reading for anyone involved in the field.

Under Japanese Management by Michael White and Malcolm Trevor is a carefully researched report on three Japanese manufacturers, two Japanese banks and one Japanese trading company that have committed themselves to a British base.

There is a growing conviction that Japanese corporations must internationalize and yet Japanese direct investment overseas is only 3% of the nation's GNP, quite low compared to America's 7%, Britain's 20% and West Germany's 6%. Japanese corporations are still only on the verge of deploying their management worldwide for greater international specialization. The appearance of *Under Japanese Management* with its objective analysis at this crucial period is a boon to Japanese corporations just beginning to consider the possibility of expanding their horizons through overseas direct investment. White and Trevor provide a guide to overseas management policies for these companies and hold up a revealing mirror to those Japanese corporations that have already established facilities in the U.K.

Lifetime employment, generous fringe benefits, enterprise unions—all of these are frequently cited as characteristics of the Japanese business world, but White and Trevor go beyond simple analysis and criticism of these characteristics to dig deep into the nature of Japanese management practices. Workers are not only given responsibility for product quality, they are provided with a work environment that allows them to exercise this responsibility. Britain's blue-collar workers, say White and Trevor, are responding favorably to the Japanese system of frequent job rotations among people in supervisory positions and repeated discussions and meetings to attain consensus among management and workers in all phases of work. Of course, Japanese management cannot be transplanted overseas *in toto* and needs to be adapted to the customs and culture of the host nation. *Under Japanese Management* provides a thorough analysis of how Japanese manufacturers are doing this in Britain. They note, however, that the Japanese banks and trading houses tend to exclude locally hired staff from middle management positions and quite rightly question the wisdom of this policy.

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Taste of Tokyo

La Granata

It is a rare restaurant that makes you feel as though you have been a regular for years on your first visit. Taste, price, service and that little extra something are all needed to brew such a familiar atmosphere. La Granata in Akasaka is one of this rare breed.

Descending the stairs of the TBS Kaikan, one is welcomed by a pleasant terrace, a large open doorway and the relaxed smiles of the staff. La Granata ("pomegranate") opened in May 1982. A chef thoroughly trained in his art in Rome, Bologna and Sicily prepares genuine Italian dishes.

A guest's appetite is whetted by antipasto which crowds the table to overflowing: *prosciutto della casa*, the house ham at ¥1,500; *calamari alla salsa piccante*, spicy cuttlefish cooked in tomato at ¥600; and *insalata di polipo*, octopus and celery salad at ¥900. The one I most strongly recommend is *bruschetta alla checca* at ¥250. This last is a garlic toast topped with tomato that goes very well with wine. And while we are on the wine, start with Orivieto Classico (¥1,900). All the wines are imported direct from Italy, and are said to be a third the price charged elsewhere.

The menu is no less delightful. *Fettuccine*

alla panna con prosciutto (¥1,300) is a pasta dish which contains raw ham and green peas. *Spaghetti alla puttanesca* (¥900) is also exciting. And if the guest asks, "What is today's fish?" the manager himself brings to the table an ice-packed wooden tub and explains, "Black porgy, striped porgy, sea bass and rock cod, all stocked this morning." Fresh fish roasted on a hot plate is superb.

Meat dishes include the representative Italian delicacy *osso buco* at ¥2,400. This is stewed calf shank, bone and all. The bone marrow is scooped out and eaten. The fireplace in the center of the restaurant is used to cook steaks. Italy, after all, is the birthplace of the charcoal-broiled steak. A charcoal-broiled fillet steak of Kobe beef goes under the name of *filetto di manzo alla griglia*, and costs ¥2,900. For this, switch from white to

red wine. Chianti Classico (¥1,900) has just the right roughness.

La Granata's interior is tastefully done in checkered tablecloths, stained glass and candles. Italian residents of Tokyo all vouch for this restaurant. At times all 100 or so seats, including those on the terrace, are filled with Europeans. There can be no better recommendation.

Lunchtime table d'hôte fare is ¥800-¥1,000. The special menu is ¥3,000 up. There are small rooms for 10 and 18 guests.

Address: TBS Kaikan Bldg., 1st Basement
3-3, Akasaka 5-chome, Minato-ku
Tel: (03) 582-3241~3
Open: daily, 11:00 a.m.-9:30 p.m. (last order)
(Yoshimichi Hori, editor-in-chief)

