# utside Tokyo

### **Nagano: Changing Temple**

Local legend has it that some 1.200 years ago the King of Korea sent a bronze statue of Amitabha to the Japanese Emperor Kinmei. During a rebellion some years later, the image was thrown into a river by a group of non-believers after they had failed (the story goes) to melt it down in a furnace due to the magical power which protected it. A samurai named Honda Yoshimitsu then found the statue and brought it back to his birthplace in the countryside for safekeeping. A temple was made to house the image, and was named Zenkoji, after an alternative reading of the Chinese characters for Yoshimitsu. The temple prospered, and eventually became one of the headquarters of two of the largest sects of Japanese Buddhism, Jodo Shin-shu and Tendai-shu. Attracted by the promise of a sure trip to paradise in the afterlife, large numbers of pilgrims began to visit Zenkoji each vear. Shops, restaurants, inns and a lively "pleasure district" sprang up around the temple to serve them, and in time a fair-sized town developed.

After the Meiji Restoration, the town was made into the capital of Nagano Prefecture, and had its name changed from Zenkoji to Nagano City. Until the end of the war, the city remained an isolated and rather underdeveloped backwater, although it did become known throughout the country for having very high standards of education and morality.

In the years since then, Nagano has developed with breathtaking speed in some ways, while remaining virtually untouched in others. Now, like many other mid-sized cities in rural areas, it is struggling to keep up with the continuing social, economic and industrial changes going on in the large urban centers of Japan, while still maintaining its own character and small-town atmosphere.

Nagano City is located only 220km to the northwest of Tokyo, but sometimes the two cities seem to be generations apart. The isolation brought on by the cold winters and high mountains of Honshu's snow country, in whose heart the city lies, have tended to make the people of the region rather conservative and respectful of tradition.

Eldest sons still come back home to take care of their parents, often after having given up a much better paying job in a big city. Single women (of any age) are still expected to be home by 10p.m. Local customs such as Hokushinryu, a complicated sake drinking ritual involving the passing of cups in just a certain way and the chanting of appropriate traditional poems or songs, are still widely observed. The longer one stays in the city, the more one realizes just how alive the culture of old Japan still is.

#### High-tech in mountain serenity

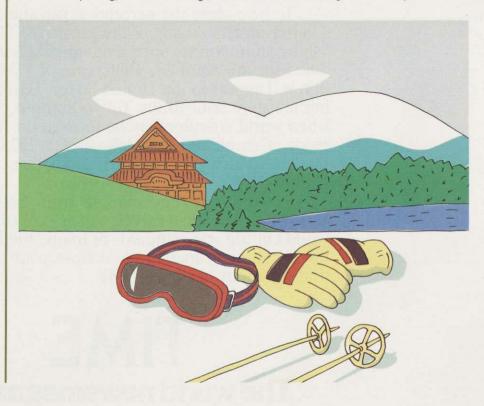
At first glance from the exit of Nagano Station, the city seems to be the typical modern Japanese jumble of not very attractive concrete boxes and neon signs, a striking contrast to the genuine beauty of the surrounding countryside. Fortunately, however, a little investigation can reveal a different, and far more interesting, side of the city. About two kilometers from the station, Chuo-dori, Nagano's main street, ends in the imposing double gates of Zenkoji. Beyond them, a row of old-style shops, inns, small temples and statues leads up to the enormous main hall of the temple. which was completed in 1705 and remains one of the largest wooden structures in the world. Since the city was never bombed, many small, winding streets and allevs remain, some of them too small for even the tiniest minicar. Numerous old wooden houses, courtvards and shrines can also be seen. In the hills which lie just a few minutes by car from the city center, small, irregularly shaped fields and rice paddies are still terraced onto steep slopes and tended by hand. Togakushi shrine, at the base of nearby Mt. Togakushi, is one of the most serene and beautiful spots in the country, especially the path through the forest to the upper shrine, which is lined with giant cedar trees.

Despite these traditional aspects of Nagano. the city is far from being a small mountain village. The population has climbed from fewer than 100,000 people in the prewar days to its present level of 320,000. As the capital of Nagano Prefecture, Nagano City has become the administrative, commercial and cultural center of the region. Besides the older industries of agriculture, food processing, tourism, fabrics and printing, a number of high-tech

firms have set up factories in the area, attracted by the clean environment, reliable labor force. and low land prices. In particular, the city has become noted for the production of computers, computer peripherals and electronic parts. Japan's leading computer maker. Fuiltsu, has one of its largest factories in Nagano and has just completed a major expansion of it. To the surprise of many people. including most of the local citizens, JETRO (Japan External Trade Organization) reports that more than 16% of the area's GNP is generated by export earnings.

Although the economic condition of the city has been fairly good in recent years, there is much cause for concern among local leaders. Many of them feel that the city's future largely depends on its ability to continue to attract high-tech firms. Unfortunately, a great many other mid-sized Japanese cities also have the same idea, and there is now an intense competition going on among them. Nagano is greatly hampered in this by its poor integration into the national transportation network. In spite of years of trying to get them, the city still lacks an expressway, a shinkansen and an airport. The situation was aptly summed up by a campaign slogan used in a recent mayoral election, "Don't let Nagano become an isolated island on dry land!"

Many local citizens also fear that the area's highly praised education system might be slowly falling behind those of the big cities. The lack of any private universities, elementary or junior high schools in the area is particularly troubling, since it leaves the students with no alternatives to the often rigid public schools. Many of the city's most talented young people have also failed to return after finishing university, resulting in a "brain drain" which could have serious long-term consequences.



#### Olympic hopeful rich in recreation

On the brighter side, things seem to be going much better in the areas of culture, sports and recreation (which is good news for the tourism industry). A huge new theater and concert hall complex was recently built in Nagano City by the prefectural government. It now offers a wide variety of musical and dramatic performances and can also be used for conferences and exhibitions. Its staff is especially proud of the fact that they have been able to form a sister-hall relationship with the Vienna Opera House. In 1984, making full use of the new hall, the city was host to the first World Chorus Music Festival ever to be held in Asia. Strong efforts are also being made to promote international youth and educational exchanges, especially with the two sister cities of Nagano, Shijiazhuang City in China and Clearwater, Florida in the United States.

Surrounded as it is by mountains, the Nagano City area has superb skiing in the winter and hiking in the summer. The city is the iumping-off point for trips to Shiga Heights. Nozawa Spa and Madarao Heights, three of the most popular ski resorts in the country, and is right at the foot of lizuna. Togakushi and Sugadaira Heights, which offer a variety of fine slopes within an hour's drive of the city center. Skiers and hikers form the second largest group of tourists visiting Nagano each year, exceeded only by pilgrims coming to Zenkoii Temple. The prefectural governor and the city's active new mayor are now spearheading a drive to get the area chosen as the site for the 1996 Winter Olympics. The Nagano region is also popular for tennis and summer training camps for rugby and American football.

JNR trains are by far the easiest way to come to Nagano City. From Ueno Station in Tokyo, the "Asama" and "Hakusan" limited express trains of the Shinetsu Line make the trip in a little over three hours, while the "Shinano" trains run along the Chuo Line from Nagova in about 3 hours and a half. Both lines offer frequent daily service. From Nagano Station, bus and taxi service is available to all nearby points of interest, although the fact that all bus signs and most road signs are written only in kanji can pose some minor problems.

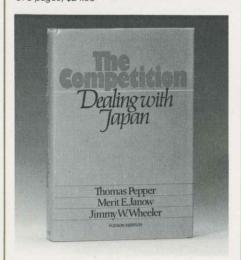
For those coming to Nagano City strictly as sightseers, the most interesting times of the year would probably be in the middle of April when the country's largest display of apricot blossoms can be seen in the nearby village of Mori; the first Saturday of August, when thousands of people dance in the streets in the Binzuru Festival; mid-autumn, when the changing fall leaves in Shiga Heights rival anything that New England in the United States has to offer; or November 20, when Ebisu, the god of good luck in business, is honored with a large fireworks display.

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## ookshelf

### The Competition-**Dealing with Japan**

By Thomas Pepper, Merit E. Janow and Jimmy W. Wheeler Published by Praeger Publishers 1985. New York 375 pages; \$24.95



Building upon a thorough analysis of postwar Japanese development, particularly the ways in which government policy has responded to the changing industrial structure, this book by three authors affiliated with the Hudson Institute is an ambitious attempt to sort out the trade friction that currently plagues Japan-United States relations and forecast the future of this important relationship. The authors' conclusion that Japan and the United States are certain to become increasingly interdependent over the long term, despite fluctuation between cooperation and competition, may come across at times as overly optimistic given the near-hostility which now prevails, but overall Pepper, Janow and Wheeler argue very convincingly for this brighter future.

The Competition is organized into seven chapters and three appendices. The brief first chapter reviews the current state of Japan-U.S. relations and attempts to explain the various whys and wherefores of the situation.

The second chapter outlines the changes that have taken place in the Japanese and international economic environments since the 1970s and how these changes have affected Japanese industrial structure. A product of the high savings rate that stimulated heavy capital investment and a strong export orientation in the economy, Japan's rapid economic growth has been achieved only at considerable cost, including massive national deficits that have made it increasingly difficult to implement the necessary fiscal and monetary policies, the emergence of sunset industrial sectors such as the materials industry, their plight exacerbated by the oil crises of the 1970s. accumulation of trade friction with Europe and the United States in the export-oriented automobile, electrical equipment and electronics industries, and domestic demand constantly depressed by the high savings propensity. As the authors note, there is a crying need for Japan to push ahead with further liberalization. of its capital markets and transformation of its industrial structure through ambitious industrial adjustment to encourage greater horizontal trade and more stimulation of domestic demand. The following chapters detail the progress of this transition and conclude that it not only is possible but most likely.

The authors begin in chapter three by defining the nature of Japanese government industrial policy and showing how it has become less and less protective over the postwar years. Chapter four is an unusual, highly informative and detailed analysis of the Japanese financial system and how it is changing. This is followed in chapter five by astute insights into research and development strategies in computers and other advanced technologies, and in chapter six by an explanation of the market-oriented restructuring that is taking place in the declining industries, with special reference to the materials industry.

Throughout, the authors emphasize that the Japanese industrial structure and industrial policies have undergone major changes in direct response to heightened international competition, fiscal policy constraints, and increasing political pressure from other countries. Even though the Japanese penchant for close policy cooperation between business and government is not expected to disappear overnight, they are eloquent in arguing that the Japanese economy is, albeit not entirely of Japan's own wishes, becoming increasingly open and market-competitive.

Just as Japan should draw upon its abundant savings to improve those areas in its social and industrial infrastructures where it lags behind Euro-American standards, i.e., housing, services and working conditions, so should it work to promote horizontal specialization through determined adjustment in its declining industries. By the same token, the authors argue that there is much the United States should do, including more effective restraints on inflation, a more realistic valuation of the dollar, reduction of the national debt, and more capital investment in industry-revitalizing productive resources.

In their seventh and final chapter, entitled, "The Changing Japanese Economy: Policy and Business Implications," the authors suggest that rather than criticizing Japan for the world's troubles, the United States would do well to take a more practical approach, giving Japan credit for the market-opening progress it has made since the mid-1970s and working to cement the interdependent ties between the two countries.

The Competition seems to have on rosecolored glasses when it argues that a more