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SELECTED ECONOMIC AND BUSINESS COMPARISONS BETWEEN HOKKAIDO (JAPAN) AND OREGON (UNITED STATES)

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BACKGROUND

A globe of the world shows the Great Pacific Ocean bordered by Asian countries on one side and the American Continent on the other. At a similar distance from the North Pole lies the Island of Hokkaido on the Asian side and the State of Oregon in America. Numerous comparisons have been made concerning their geographic structures, physical characteristics, political nature and the strong, independent "pioneering" people. Each entity is rather far removed from the large centers of population, separated both in distance and in basic philosophy. This paper will compare several of the more important characteristics and analyze their impact upon the economy of each.

NATIONAL GEOGRAPHIC RELATIONSHIPS

Japan is an archipelago composed of four major islands and numerous small islands of greatly varying size. Hokkaido is the northernmost island lying next to Honshu. Shikoku and Kyushu lie below Honshu. Japan stretches between the latitudes of 31 degrees 30 minutes and 45 degrees 31 minutes North.¹⁾ For comparison, this approximates the distance along the entire United States Pacific coast from Canada's border south to lower California.

Hokkaido is Japan's second largest island and approximates twenty per cent of the national area. It contains 78,513 square kilometers (approximately 39,000 square miles).²⁾

Through the center of Hokkaido there are two large mountain ranges with a basin between; Teshio and Yubari Mountains in the West and Kitami and Tokachi in the East. The Ishikari River covers a large area of the plain.³⁾ In Oregon, there are two similar long ranges of mountains, the Cascades and the Coast Range which extend from the Northern Border to within a few miles of the Southern Edge of the State. Oregon has an additional Blue Mountain Range, which is near the Eastern edge of the State. Between the Cascades and the Coast range lies a fertile valley drained by the Willamette River.

Oregon has numerous rivers throughout the state, but two are especially important because of their economic impact. The Columbia River, expanding along the northern boundary but affecting the Central and Western parts of the state, forms the border between Oregon and Washington from the Pacific Ocean to Eastern Oregon. The Willamette River runs from the Cascades into the center of the Willamette Valley, which it drains and flows northward to join the Columbia River northwest of Portland. Both rivers have been improved and channels are maintained to allow oceangoing traffic for several hundred miles into the interior. Water levels are high enough to permit constant usage throughout the year. The Port of Portland maintains extensive facilities and is one of the most important industries in the city of Portland.

The population of Hokkaido at the start of the Meiji period was estimated to be 160,000 persons.⁴ Presently, the population is shown as 5,338,043. If Hokkaido and Japan in its entirety are compared, the population density for the entire country is four times that of Hokkaido.⁵

The population growth in Hokkaido approximates one per cent yearly; but the city of Sapporo is currently exceeding a five per cent annual growth rate, which will probably continue for an extended period of time. Since the period of youthful immigrants 100 years ago, the overall age level of the population has risen and is expected to continue to rise. A fact of future importance is that the trend may result in an eventual shortage of young workers and reemployment problems for older age groups.⁶

At the beginning of the Meiji period, Oregon's population was 91,923 persons or approximately two-thirds the size of Hokkaido's.⁷ Oregon's population in 1976 is estimated to be 2,226,000 inhabitants.⁸ Comparatively, Hokkaido has over twice the population of the state of Oregon. The Portland Metropolitan area's population for January 1, 1977 is presently estimated by Editors and Publishers 1976 Market Guide to be 1,104,243 persons, compared to Sapporo's 1,187,225— so the major cities have almost identical populations.⁹ Sapporo's population, however, has been increasing much more rapidly than that in the Portland area. Oregon has only one large city. Hokkaido has seven cities with over 100,000 inhabitants. Kushiro has over 200,000, while Hakodate and Asahikawa have over 300,000 inhabitants each.¹⁰ Oregon's population density for 1974 was 23.6 persons per square mile, which by Hokkaido's standards would be very light density.¹¹

The economy of Hokkaido has been developing rapidly in recent years. It is still largely an agricultural economy and the size of the individual farms are five times the average size of farms in other parts of Japan. The average size of a farm is 5.7 hectares (2 1/2 acres). Agriculture utilizes slightly over twenty per cent of the total island lands, farmed by over 200,000 families.

Modern technology is used extensively. In the dairy industry, foreign breeding stock has been imported. Modern methods have been used to process, preserve and transport products of the agriculture industry. The new techniques have been rapidly developed and utilized.

Hokkaido is seventy-five per cent covered with timber. The forest industry, which is also so important to the Pacific Northwest, is a dominant factor in Japan's total lumber possessions. Hokkaido accounts for nearly a fifth of the lumber output of the entire Japanese nation. Reforestation is now replenishing cut timber which is also true for the Pacific Northwest and Oregon. Lumber and wood products still continue to enjoy strong demand, and there is considerable evidence that heavy demand will continue.¹²³ In Oregon, forestry is still Oregon's largest industry. Production of lumber for 1975 was estimated at 6.7 billion board feet, valued at approximately 1.1 billion dollars. In 1974, plywood output was valued at 740 million dollars, paper and paperboard 648.5 million dollars and particle board, hardboard and insulation were valued at 402.4 million dollars. Forest resources hire approximately 90,000 full time workers with a payroll of \$ 874 million annually. Forest based plants produce goods worth approximately 2,717 million dollars annually.¹²³

The fishing industry in Japan has supplied an important part of the diet for many centuries. Now that pollution has had a very unfavorable impact upon fishing in Southern Japan, the country is even more dependent upon Hokkaido and its extensive fishing activities. The measures to control pollution have been successful in many Hokkaido areas and parallel efforts that have been made in Oregon which achieved the same purpose. Oregon has successfully restored fish to streams like the Willamette, whose waters before strict controls were instituted made it impossible for fish to survive. Hokkaido supplies over one-fifth of the total national catch and, thus, makes a large and significant contribution to Hokkaido's economy.¹⁴³

The commercial fishing industry in Oregon accounts approximately 92 million pounds of fish annually. In 1973, the 6,700 licensed professional fishermen earned thirty million dollars.¹⁵³

Farming is very significant to both Oregon and Hokkaido. In Hokkaido, rice is an important crop, although the climate is not entirely suited to best production. New hardy strains have been developed in hopes of surmounting the unfavorable climatic conditions. Rice production has been estimated at well over one half million tons annually for Hokkaido. It is interesting to compare the tonnage of rice with milk. Milk accounts for twelve million tons per year, which is 25 times the annual rice production.¹⁶³

Potatoes grown in Hokkaido account for nearly sixty per cent of Japan's entire production. Potatoes furnish starch, seed potatoes, and process foods.

The sugar beet industry produces nearly the entire supply for all of Japan. Over 50 per cent of all peppermint, asparagus, string beans, and oats are produced by the island.¹⁷⁾

Oregon has 33,000 farms in the state, with a total of 19.7 million acres (one acre = .404 ha.) of farmland. The Oregon agriculture production is dominated by wheat, other grains, hay, pears, rye grass, potatoes, sugar beets, snap beans, onions and apples, all of high quality. Cash receipts from farm marketing surpassed one billion dollars in 1973. Agriculture is, therefore, the base for an important food processing industry where an average of over 23,000 persons are employed annually.

Oregon has a large fruit production with cherries, apples, pears, prunes, and nuts in large quantities. Wine production is increasing since the discovery that the Oregon climate can produce exceptionally fine wine grapes. Oregon has exceeded any state's shipments of winter pears, filberts, beans, and berries.¹⁸⁾

Continuously, since the opening of Hokkaido, the dairy industry has been especially important. One fifth of the national total of milk cows are on Hokkaido. Farms with several dozen cows are not uncommon. The demand for milk products has increased with great rapidity, and milk, cheese, and ice cream have now become staple commodities of the Japanese diet. The demand has been greater than the supply insuring a continuation of the demand for dairy products.¹⁹⁾

Most of Oregon's dairy herds are in Western Oregon. A measure of their importance is shown by the fact that Oregon's dairy industry in 1973 contributed 74.7 million dollars in cash farm holdings that year. Dairy cows and heifers on January 1, 1974, numbered 121,000 head and the rate of growth has been increasing.²⁰⁾

In Hokkaido, mining has been a small industry, but because of mineral scarcity throughout Japan, has been quite important compared with other prefectures. Over one quarter of Japan's gold comes from Hokkaido, sixty per cent of its manganese, over eighty per cent of its mercury, and approximately fifty per cent of its coal.²¹⁾

In Oregon, mineral and metallurgical industry is diversified. It consists of rather rich deposits of a large variety of minerals. It provides seventeen million dollars a year in income to Oregonians and requires a labor force of nearly 12,000 persons annually. In 1974, the total value of mineral production for the state was estimated to exceed 90 million dollars.²²⁾

Manufacturing of iron and steel, oil refining, ship building, plywood, hardwood lumber, chemical fertilizer, paper, pulp, and agriculture commodities are produced and exported. In Oregon, between the years of 1958 and 1972, the total value added by all manufacturing rose from 1,222 million

to 3,471.2 million dollars.²³⁾

Hokkaido's total industrial output in 1970 was close to fifteen trillion yen, chemicals half a trillion yen, machinery over one trillion, metals over two and a half. Food and other industries reached nearly eleven trillion yen.²⁴⁾

Tourism is one of the most important industries of both Hokkaido and Oregon. For a number of years, the tourist industry in Japan has doubled on an annual basis. In Hokkaido, over eight million tourists come annually because of low average temperatures in the summer; close to 20 degrees centigrade, even though occasionally it may rise as high as thirty degrees.²⁵⁾ The air is crisp and cool with clear skies and pleasant evenings. The city of Sapporo has an outstanding municipal design to attract tourists with its flowers, roses, fountains and green grass of Odori Park and its many parks and gardens throughout the city. The Botanical Gardens, museums, interesting old buildings, subways, Hokkaido University, the 1972 Olympic structures, the shopping arcades all provide strong drawing power for tourists. During the winter, the snows come and provide an opportunity for magnificent skiing and winter sports activities. The Snow Festival, late in January, is famous throughout the world for its intricate ice carvings which decorate Odori Park and the center of the city. The parks and picturesque buildings are covered with dry snow which transforms the landscape into a silvery dream world of unparalleled beauty. The crystal clear air makes the green and white of the surrounding hills appear almost near enough to touch.

The Island has numerous areas of volcanic interest with world famous hot springs, smoking mountains, and spectacular lakes. Numerous national parks such as Akan, Mt. Moiwa, Maruyama, Nopporo, Toya and others have been set aside to preserve their outstanding natural beauty. In several areas the prehistoric Ainu may still be observed. At Shiraoi, south of Sapporo, a village has been created similar to the old traditional Ainu ones. Descendants of the tribes provide tourists with demonstrations concerning the old tribal practices.

In Oregon may be found the descendants of several ancient Indian tribes. They were aboriginals similar to the ancient Ainu. There is an interesting similarity in the art, color, and designs used by Northwest Indians and the Ainu. Perhaps this implies a prehistoric common ancestry.

Comparably, tourism is considered the second most important industry in Oregon. The scenic attraction of Oregon is a major drawing force. With one of the largest areas of the nation set aside as National Forest and extensive timber lands, the recreational opportunities are very large. In Northern Oregon can be seen Mt. Hood, the state's highest mountain-11,235 feet above sea level. Nearby, is the Columbia River, which has cut a deep gorge

through the ages as it winds from Eastern Oregon down to the Pacific Ocean. The Cascade Mountains of Southern Oregon contain Crater Lake, considered one of the greatest wonders of the natural world. This lake is quite similar to Lake Mashu in Akan National Park. It has the same rich deep blue color when the sun shines upon it.

Recreational fishing is outstanding throughout the rivers of Oregon, as well as deep sea fishing in the Pacific Ocean. Oregon has also set aside many historical buildings throughout the state and some have been converted into museums. One entire town has been declared a national treasure and building must conform to the regulations which retain the pioneer appearance. Numerous festivals are held in Oregon, as well as in Hokkaido. Oregon has its famous Portland Rose Festival and the Pendleton Roundup. These are the best known, but numerous cities and towns have special observances such as Strawberry Festivals, "Crab Feeds," or tree blossom observances. The City of Ashland, in southern Oregon, presents high quality dramatic productions of Shakespeare's plays in authentic Elizabethan-type theatres. They attract thousands of people throughout the entire summer season.

All kinds of sports activities may be enjoyed during the year. Because of Oregon's mild climate, golf may be played throughout the seasons. In winter, there are excellent skiing slopes throughout the state. Although Oregon does not have the number, quality, and facilities that Hokkaido has for skiing, it is a strong tourist attraction for the state.

Thousands of tourist facilities are available in the state. Freeways extend from Portland down through the Willamette Valley to the California border; another one crosses the state of Idaho. Motels have largely replaced hotels in most Oregon areas. They are high quality facilities with complete acceptance by travellers. Oregon is famous, as is Hokkaido, for the number and high quality of eating places throughout the state. Food is quite reasonable in price and a complete dinner with a large steak may be purchased for well under ten dollars. Good beef is plentiful in Oregon, so the cost per pound is much lower than it is in Japan.

Columbia River salmon and Dungeness Crab are famous in Northwestern America for their quality and flavor which are quite similar to the excellent fish found in Hokkaido waters.

The state of Oregon, recognizing the importance of the tourist trade to the economy, has been assisting in promoting tourism. A natural advantage is her location, which is a central position relative to Washington, Idaho, Nevada, and California. From Oregon, transportation is especially good for entry into nearby states. Tourist travel by automobile in 1973 was estimated at 3,271,000 individuals. The average number of passengers per car was 2.6. They spent an average 4.20 days in the state, expending \$ 26.94 each.

The estimated total annual expenditure was 370 million dollars.²⁶ The state has been advertising in national media hoping to increase tourist traffic throughout the state. It is recognized that tourism does not need extremely large capital investment, does not consume as much energy as many industries, and not need to pollute the landscape or air or water. It is a clean type of business in that the tourists come, see, enjoy, eat, sleep, and then travel back to their homes, leaving their money to augment the local economy.

GOVERNMENTAL ECONOMIC PLANNING

Governmental support of various kinds from the several governing sectors have aided expansion of growth of our state and your prefecture. Hokkaido has had numerous special economic development plans. During the past hundred years, they were centered mainly on agriculture and forestry. This was also true in Oregon, where federal government financed the establishment of an agricultural college and gave people property if they would build a home and cultivate the land. The "homesteads" were 640 acres (approximately 13,120 ha.) in a plot for one family. In Hokkaido, pilot farms were created and the development of the dairy industry was strongly supported and emphasized. Central Hokkaido was designated, in 1962, as a new industrial city, and planning has included the manufacturing developments in Sapporo, Tomakomai, and Muroran.²⁷

Oregon has also had strong support as well as exercising control over economic development in the state. There is a department within the state framework entitled the Department of Economic Development, whose entire function is the assistance and encouragement of economic development within the state. There is also a legislative committee on Trade and Economic Development for Business and Agriculture that reports directly to the Oregon State Legislature. There is a Regional Commission supported by the U. S. Department of Commerce with a substantial budget set up to encourage, study, and urge action that will benefit the Northwestern states of Washington, Idaho, and Oregon. This commission has four members, one selected by the Secretary of Commerce from his Washington, D. C. staff and the three governors of the Northwestern states.

The state has not only been concerned with economic affairs, but has been deeply concerned with protecting the environment. Oregon has been a leader with its "Bottle Bill," its strict pollution restrictions, proper uses of land, and the control of environmental impact. The state also has a powerful private group of "environmentalists" who lobby for the preservation of the land with its scenery. Both Oregon and Hokkaido have large areas relatively undeveloped. Careful planning can assure the use of these areas.

The future will be difficult for us both. A world-wide scarcity of energy,

environmental concerns, and strong competition will call for extremely careful planning to maintain proper balance among all the critical factors.

Oregon and Hokkaido share common problems. Both of us have achieved outstanding success in the solution of some of them. For seventeen years, our Sister City Relationship with Sapporo has strengthened our understanding interest in working together. We both have much to gain from such a relationship. Working together more closely to help each other find better ways to solve the problems of the future will be of inestimable value for both our people and our economic development.

FOOTNOTES

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- (2) Noh, Toshio and Douglas H. Gordon, *Teikoku's Geography of Japan, Modern Japan: Land and Man*, Tokyo, Japan, 1974, p. 107-111, p. 147. (Hereafter cited as Noh and Gordon)
- (3) *Ibid.*
- (4) *Ibid.*
- (5) *Ibid.*
- (6) *Ibid.*
- (7) *Oregon and the Pacific Northwest*, Pollard, Lancaster, Binfords and Mort, Portland, Oregon, 1946, p. 152.
- (8) *Oregon Blue Book*, 1976, State of Oregon, Secretary of State's Office, Salem, Oregon, p. 142. (Hereafter cited as *Oregon Blue Book*)
- (9) 1975—Editor and Publisher, 1976 *Market Guide*, New York, p. 340.
- (10) *Japan Yearbook for 1975*, Tokyo, Japan, 1975, p. 132.
- (11) *Oregon Economic Statistics*, Bureau of Business Research, University of Oregon, Eugene, Oregon, 1975, p. 8.
- (12) Noh and Gordon, p. 112, 116.
- (13) *Real Estate Trends in Portland, Oregon*, March 31, 1976, Metropolitan Portland Real Estate Research Committee and *Oregon Blue Book*, p. 153.
- (14) Noh and Gordon, p. 117, 147.
- (15) *Oregon Blue Book*, p. 153.
- (16) Noh and Gordon, p. 147.
- (17) *Ibid.*, p. 113.
- (18) *Oregon Blue Book*, p. 146.
- (19) *Official Guide Book Sapporo Winter Olympic Games*, 1972, p. 179.
- (20) *Oregon Blue Book*, p. 146.
- (21) Noh and Gordon, p. 118.
- (22) *Oregon Blue Book*, p. 146.
- (23) *Ibid.*, p. 142.
- (24) Noh and Gordon, p. 147.
- (25) *Ibid.*
- (26) *Oregon Economic Statistics*, p. 69.
- (27) Noh and Gordon, p. 120.