

The Making of a Diplomatic Impasse: the Kuril Islands

by Roger L. Reinoos

Introduction

The formation of the Kuril Islands territorial boundary between Russia and Japan has, since World War II, shaped and defined the relationship between these two countries. It is an issue that refuses to go away, that still involves several great powers today, and has been the stumbling block to the signing of a peace treaty and the normalizing of diplomatic relations between two of the world's superpowers. Many nations have been close observers of the dispute because its outcome could affect the legitimacy of the USSR's post-World War II borders throughout Eastern Europe, and now also in the borders of various member states of the CIS.¹

This paper will present a short historical review of the development of the international boundary in question, briefly present the international and bilateral agreements that are relevant, present the Japanese and Russian historical viewpoint on the issue, detail the recent change in each side's position, and give some suggestions as to a possible solution to this thorny problem.

Development of the Boundary

The media constantly refer incorrectly to the issue as concerning four islands at the southern end of the Kuril chain. In fact, there are

three major islands and a group of seven small islets involved. They are Etorofu, Kunashiri, Shikotan and the Habomai group, respectively. The Soviet islet of Kaigara in the Habomai group is just 3.7 kilometers from the northernmost island of the Japanese archipelago, Hokkaido.²

Russian influence first started in the sixteenth century when the Kuril Islands were seen as the Russian gateway to Japan, and continued until Russian presence had been felt on most of the islands by 1770. At the same time the Tokugawa Shogunate showed little interest in the arc of islands.³ Because of their proximity to Hokkaido, Japanese probably set foot on the arc first, but early landings are undocumented and not dateable. Also, Japanese documented landings are limited to the southern Kurils of Etorofu, Kunashiri and Uruppu. Russian explorers and some traders had charted the northern islands and were making their way down to the southern islands just as Japanese merchants began trading in Kunashiri in the mid-1750's⁴.

It is inconclusive to compare Russian and Japanese exploration of the islands to try to determine who first 'discovered' them and in what order. The different names used, navigation and sighting errors, unreliability of ships' logs and unofficial documents make a chronology of 'first discovery' unreliable at best. The debate over who 'discovered' the Kuril Islands still continues.

International Declarations, Agreements and Treaties Treaty of Shimoda (February 7, 1855).⁵

The 1855 Treaty of Commerce, Navigation, and Delimitation (Treaty of Shimoda) was the first official bilateral agreement to set the limits of each country's international boundary. Both countries agreed to

divide the Kuril island's arc between the islands of Etorofu and Uruppu, the Japanese taking the southern islands to Hokkaido and the Russians the northern to Kamchatka. The large island of Sakhalin, to the northwest of Hokkaido was declared a joint possession of Japan and Russia and its final settlement was to be left for further negotiations. The joint possession of Sakhalin would be a major ingredient for future changes in the Kuril boundary.

Each side abided rigorously by the agreement and for the next twenty years only hunters and surveyors crossed the invisible line that separated the northern and southern boundaries of the arc.

Treaty of St. Petersburg (May 7, 1875)⁶

Division of the Kurils and of Sakhalin proved to be transitory. The Japanese and Russian settlements on Sakhalin found it increasingly difficult to live together. Encroachments into each other's fishing, hunting and trapping grounds, local disputes over the international boundary, and lack of law enforcement caused recurring violence between Russian and Japanese villagers near the boundary. Japan couldn't afford an escalation to war on the frontier border with the Russians in the 1870's because of financial problems, unrest among the samurai class, and distractions in Korea and Taiwan. The result was the 1875 Treaty of St. Petersburg.

By signing the Treaty of St. Petersburg in 1875, Russia abandoned all claims to the entire Kuril archipelago, from Hokkaido to Kamchatka, in favor of Japan. In return, Japan renounced all rights to the island of Sakhalin. Article 2 of the treaty goes on to name eighteen islands from Shimushu, just off the coast of Kamchatka, to Uruppu, not including the disputed islands. The naming of the eighteen islands

is important because the Japanese will later use this list to define 'Kuril Islands'.

Treaty of Portsmouth (September 5, 1905)⁷

Although the Treaty of Portsmouth has no direct bearing on the Kuril Islands, it was do be used later by both the Russian and Japanese side in support of their arguments over possession of the Kurils. At the end of the Russo-Japanese War, Russia ceded sovereignty over the southern half of Sakhalin to the Japanese. In return, Japan was under obligation not to construct any military installations on the island and to allow free navigation through the straits surrounding the island.

The Cairo Declaration (November 27, 1943)⁸

At Cairo in 1943, the U. S., Great Britain and China jointly issued a declaration including the statement that Japan would be expelled from all areas which she "has taken by violence and greed."

Yalta Agreement (February 11, 1945)⁹

The Yalta Agreement signed by the Soviet Union, the U. S. and Great Britain in February of 1945 is vital to the Russian perspective because it is the principal agreement by which the Russians legitimize their possession of the Southern Kuril Islands. The secret agreement stated that Russia would enter the war against Japan within three months of Germany's capitulation in exchange for territorial concessions.¹⁰

President Roosevelt and his advisors seem to have been ill-informed about the history of the Kuril Islands. At the Yalta conference the President was still under the misapprehension that Japan had taken the

Kurils from Russia in 1905 'by violence and greed', therefore making the entire arc subject to the principle of territorial alienation defined in the Cairo Declaration.

Roosevelt's cavalier attitude towards the Kurils question could have been the result of several situations. First, it seems obvious that Roosevelt and his advisors failed to adequately review Far Eastern matters before discussing them with Stalin at Yalta. Second, Roosevelt may have been concerned with Russian ambitions in Manchuria and hoped that a quick settlement of the Kurils question would forestall Russian demands in China. Lastly, Roosevelt's failing health made him no match for Stalin's persistent demands and strong will at the conference.

The Potsdam Declaration (July 26, 1945)¹¹

The Potsdam Declaration stated the terms of surrender for Japan and was signed by China, Great Britain, the U. S., and the USSR. The article relevant to the territorial issue is Article 8 which states: "The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such other minor islands as we determine."

World War II

The above agreements set the scene for Russia's entry into the Pacific War. On August 9, 1945, after the capitulation of Germany, Russia declared war on Japan. Just six days later, on August 15, before any military actions were taken against Japan by the Russians, Emperor Hirohito announced the unconditional surrender of Japan and acceptance of the Potsdam Declaration. On the same day, Russia

began to assemble a small fleet off the coast of Kamchatka and on August 17 attacked Shimushu, the most northern of the Kuril islands. There was little resistance from the Japanese forces encountered, partly because they were outnumbered and poorly equipped and because they were unprepared for an attack as they thought the war was over. By August 21 the entire Kuril arc was in Russian hands.¹²

The USSR set about annexing the Kurils. The Japanese were repatriated as soon as their positions were filled by Russians. Property and businesses were nationalized on September 20, 1945, and Russian names replaced Japanese ones. The SCAP administration under General McArthur tacitly supported Russian possession of the islands by issuing, on September 20, 1945, SCAP directive No. 667 which deprived Japan of all administrative rights to the Kurils. Although the directive did not specify that the Russians were to take Japan's place, their occupation of the islands gave them *de facto* possession. On February 25, 1947, the Soviet constitution was amended to include the Kurils as part of the Russian Soviet Federated Socialist Republic and they have since been part of the Sakhalin Oblast.¹³

Treaty of Peace with Japan:

The San Francisco Treaty (September 8, 1951)

The San Francisco Peace Treaty, signed in 1951, officially ended the Pacific War. Japanese Prime Minister Yoshida signed the treaty which renounced all rights and claims to southern Sakhalin and the Kuril Islands: "Article II, C. Japan renounces all right, title and claim to the Kuril Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan acquired sovereignty as consequence of

the Treaty of Portsmouth of 5 September, 1905.”¹⁴ Because of various objections, including the fact that the peace treaty did not specify who the Kuril Islands would revert to, the Russians did not sign the treaty.¹⁵

Joint Declaration By Japan and the USSR (October 19, 1956)¹⁶

From the day the San Francisco Peace Treaty was signed, the Japanese have been demanding the return of the disputed islands because in the Japanese view they were not, nor had ever been, part of the ‘Kuril Islands’. The Soviets rejected this demand out of hand. Negotiations continued for five years with no movement on either side. After years of negotiating, diplomatic relations were formally restored between Russia and Japan in 1956 with the signing of the Joint Declaration. The Japanese government, strongly desiring normalization of relations with Russia and contrary to public announcements at home, were willing to accept the return of Shikotan and the Habomai group if the Soviets would support the claim that the southern Kurils had historically been Japanese. At first the Soviets rejected this demand, then unexpectedly accepted the Japanese proposition. When the Japanese increased their demands for the return of all the disputed islands and that the dispute be remanded to an international conference, the negotiations broke off. The sudden reversal by the Japanese negotiators may have been caused by domestic problems, or perhaps from American intentions to obstruct Russo-Japanese normalization by having the Japanese demand unacceptable conditions.¹⁷ When the Joint Declaration was finally signed on October 19, it formally ended the state of war between Japan and Russia, allowing some

diplomatic relations, but deferred settlement of the territorial dispute to further negotiations for a full fledged peace treaty. The USSR did concede to return Shikotan and the Habomais upon the conclusion of a peace treaty.

The Japanese Historical Perspective

The Japanese governments' unchanged position on the territorial issue centers on the fundamental principle that Kunashiri, Etorofu, Shikotan, and the Habomais are 'inalienable' Japanese islands. Their view stresses historical association and international law. Japanese merchants visited Kunashiri and Etorofu before any Russians set foot on those islands and Japanese maps have included the islands since the seventeenth century. By Russo-Japanese bilateral agreement Russia relinquished all claims to the disputed islands, and then the entire Kuril arc, with the signing of the Treaties of Shimoda and St. Petersburg, and did not question Japanese rights until the end of World War II. The Cairo Declaration reinforced Japan's rights to the disputed islands because the arc cannot be included in the category of lands 'taken by force and greed'. The secret Yalta Agreement is not binding because Japan is not a signatory and it was concluded without Japan's knowledge. The Potsdam Declaration, which Japan accepted at its unconditional surrender, limited Japan to the four main islands but includes a reference to 'such minor islands as we determine' which, in Japan's opinion, include the islands in question. By renouncing all rights to the 'Kuril Islands' in the San Francisco Peace Treaty, Japan did not give up her claim to Shikotan, Kunashiri, Etorofu, and the Habomais because they are legally not part of the Kurils Islands as defined in the Shimoda and Portsmouth treaties. Anyway, the treaty

did not state who the territory would revert to and since the USSR was not a signatory to the San Francisco Treaty it can claim no rights based on its content. The 1956 Joint Declaration was merely a statement in which the state of war between Japan and Russia ceased and in no way finalized the dispute but left it to a future peace treaty.¹⁸

The Russian Historical Perspective

Although insisting that history is on their side, the Soviet claim to the disputed islands is based mainly on wartime agreements among the allies and on the San Francisco Peace Treaty. In Russia's view, Japan's historical claims ignore early Russian associations with the southern Kurils and, until the late 1790's, the Tokugawa Shogunate and many Japanese scholars considered the Kurils to be outside Japan. Russia did claim Kunashiri and Etorofu before 1855 but Japan took advantage of Russia's weakness during the Crimean War.

Japan's claim based on the treaties of Shimoda and St. Petersburg is rejected out of hand; and, Russia argues, is invalidated by Japan's 'war of aggression' against Russia in 1904. The treaties of Shimoda and St. Petersburg also became invalid because Japan reneged on her promise in the Treaty of Portsmouth not to build military installations on Sakhalin and by aiding Germany in an aggressive war against the Soviet Union. Russia, in compliance with principles stated in the Cairo Declaration, and fulfilling the obligations agreed to at Yalta, attacked Japan and 'repossessed' the Kuril Islands. Japan irrevocably acknowledged this territorial transfer by accepting the Potsdam Declaration at its unconditional surrender and by signing the San Francisco Peace Treaty.¹⁹

To the Russians, the 'minor islands' mentioned in the Potsdam Agree-

ment can be construed as the Kurils only by stretching the imagination. Although the 'Kuril Islands' are not individually named in the San Francisco Peace Treaty, 'Kuril' was universally understood to include Kunashiri and Etorofu. Furthermore, Kumao Nishimura, then Director-General of the Department of Treaties at the Japanese Ministry, stated unequivocally to the Japanese Diet in 1952 that, "Kunashiri and Etorofu belong to the Kuril islands that Japan renounced in the San Francisco Treaty."²⁰

The Significance of the Kurils

Why is the issue so important for each side? The importance of the disputed islands has not lessened for each side over the years but may have gained importance, especially for the former USSR. The dispute involves economic, military and, perhaps now more important than before the dissolution of the USSR, national pride.

Economically, the area surrounding the islands is rich in sea life such as: sea otters, fur seals, sea lions, salmon, cod, herring, mackerel, plaice, tuna, whale, crab, abalone, trapping, and kelp. An extension or reduction to one's fishing grounds, especially in an era of declining catches and growing unemployment in the fishing industry, is important to both sides. Also some noteworthy mineral deposits and lumber stands exist on the islands. Of increasing importance is the possibility of tourist development of the islands, which because of a lack of Russian funds, has been neglected until just recently. The last issue recently caused diplomatic tension between the two countries.²¹ The economic issue has gained greatly in importance with the breakup of the USSR, and the lessening fears of military intervention from either side.

The Kurils have been valued and feared because of their strategic position by both the Russians and Japanese. In the eighteenth century the Kurils were seen as stepping stones to Japan by the Russians, and in the 1930's and 40's Russia saw them as a Japanese platform for expansion into Russia.²² The Japanese task forces which attacked Pearl Harbor in 1941 and invaded the Aleutian Islands in 1942 embarked from Kuril bases. The U. S. considered starting its push towards Japan in World War II from either the Kurils or the south. The Soviets have since seen Japan as a platform for the projection of American conventional and nuclear power, and the Japanese in turn have seen the Russians as the principal threat to their national security.

To the Japanese, the Kurils pose an apparent direct threat because, as stated above, Russian presence on the Habomais bring listening posts within 3.7 miles of the Japanese mainland. Kunashiri and Etorofu are also studded with air and radar installations for surveillance of Japanese and U. S. forces on the Japanese mainland and in Okinawa.

The Russian military still believes that the Kurils are of considerable strategic value. The islands guard one of only two outlets that the Soviet Pacific fleet has to the open sea from its base at Vladivostok. The other exit, by way of the Korean strait, is under constant surveillance by Japanese and American forces based in Kyushu and Okinawa. The Kurils have been a key element of Russian Far East defense: they are the, "only natural barrier that prevents offensive naval forces from having free access from the Pacific Ocean to the Sea of Okhotsk and directly to our (Russian) coastline. They protect the Sea of Okhotsk, in which our strategic missile submarines are on com-

bat patrol. They ensure access to the Pacific Ocean. Loss of control of the straits...would open the door to the coastline, and our pacific forces would be separated from each other, part would be bottled up in the Sea of Japan, part in the Kamchatka area. The Sea of Okhotsk would cease to be a Russian internal sea.’’²³

Non military analysts disagree, arguing that the disputed islands are of little military importance since the break-up of the USSR, and that Soviet forces were deployed there not out of fear of Japan or the U. S., but to show displeasure with the Sino-Japanese Peace and Friendship Treaty. Russian military officials may be reluctant to support further territorial concessions for reasons of prestige than for strategic reasons.

Finally, the islands issue has become one of national pride for both sides. The Japanese government has made this issue the litmus test for Japanese patriotism, resolve, and national honor. Japan has come to be depicted as the victim of Russian aggression in the closing days of World War II. This view point is supported by public opinion and by a broad range of opposition parties. The government has painted itself into a corner where compromise is nearly impossible because the issue has been defined as one of such importance. For Russian conservatives, the issue has become one of giving up ‘ancient Russian lands’ and of ‘superpower Russia’ capitulating to tiny Japan’s demands in a time of national weakness. Resistance to a settlement of the issue favorable to Japan is strongest in the far eastern region’s leadership and shows how the center-regional power relationships have changed.

The Current Russian Position

Until the breakup of the USSR, the official Russian view of the territorial issue had been unchanged. The totalitarian regime was able to

speak with one voice, and dissent on the issue, if any, was not publicly acknowledged. But the emergence of political parties competing for influence and power in the new Russia, constraints of the Russian Constitution, and the new independence of the Confederated States makes an official government policy on the issue much more difficult to formulate, much less discern.

In the late 1980's and early '90's there was euphoric hope, especially on the Japanese side, that the visits by Gorbachev and Yeltsin might finally set the stage for a settlement. However, Russian domestic problems and the inability of either side to move far from its standard bargaining position soon scuttled any advances on the territorial issue. In the past it was difficult to determine the place of Japanese-Soviet relations on the list of Soviet foreign priorities. But now, clearly, Russia has more pressing issues than resolving the territorial dispute.

Differing opinions as to just who has jurisdiction over the islands, plus constitutional questions, have risen in Russia. In the opinion of the governor of the Sakhalin region, which has jurisdiction over the Kurils, "...it would be unlawful..." for the Russian government to unilaterally return the islands "...because under the Russian Constitution, changes in the territory or boundaries of the regions can only be made with the consent of the affected regions...and Sakhalin would never consent."²⁴ Others who agree with this sentiment also add to this argument the highly unlikely requirement that the relevant articles of the San Francisco Peace treaty must first be rescinded before the islands could be transferred to Japan, and still strongly maintain that Yalta, the San Francisco Treaty, and even the UN Charter support Russian possession.²⁵ In contrast to these sentiments, in 1992, the then

Russian Deputy Prime Minister and Minister of Press and Information, Mikhail Poltoranin, made the following statement on returning the Kurils, "no referendum is needed in this case because it doesn't involve a change of territory. The question is one of adherence to an agreement that was concluded in 1956 and of the islands it refers to."²⁶

About the only things the disparate opinions have in common is the belief that the islands are not a province, nor a region within a nation, but part of Mother Russia itself; that Russia should honor the 1956 Peace Declaration and return Shikotan and the Habomais after a Peace Treaty has been signed, and then negotiate the disposition of the other two islands;²⁷ and that the return of the islands may add legitimacy to and complicate possible demands from the Baltic States, Lithuania, and possibly even Finland for territorial concessions.²⁸

Discussions on the possible return of the Kurils focus upon two aspects; economic benefits that Russia may receive from the transfer, and the military threat that return of the islands might pose.

Recently the Russian leadership has become more aware that the greater part of the CIS lies in Asia and is making efforts to balance a new Asian policy with its established European and U. S. relations. Although Russia and some of the CIS are very interested in economic cooperation and investment in developing the Kurils and other parts of the Far East, domestic political realities and constitutional restraints will not allow her to 'give away' the Kurils as a sign of goodwill. Also, the CIS may be over the euphoria about the benefits that trade with and investment from Japan would bring. The main problem with the CIS economies is their structural mechanism and not the lack of foreign investment. Possible Japanese investment in exchange for the Kurils will be of little help until economic reforms have become suc-

cessful. Also the majority of investment will come from the private sector and the continuing instability in Russia and the CIS makes Japanese investment less likely.

Although the ending of the cold-war has eliminated the threat of military intervention through the Kurils by Japan or the U. S., Russian concerns about security have not completely disappeared. The Russians are still strongly opposed to Japan's exceeding the limits of what they view to be reasonable defense sufficiency. They are aware of the strong rate of growth of the Japanese defense budget, which is far above that of NATO. They are also not appeased when reminded by the Japanese that defense spending is limited to 1 percent of GNP because they know that Japan's economy is the second largest in the world and that in absolute amount its defense spending is the world's third largest. Conditions under which the islands would be returned must also take into account the existence of the U. S.-Japanese military alliance. The Russians must consider the possibility that the U. S. and Japan may not agree to make the Kurils a demilitarized zone, and if returned, may even use them for naval and air bases that would fall within the U. S.-Japan security treaty.²⁹ This is especially more likely to happen as complaints of high levels of noise and fear of air accidents by Japanese citizens who live around the existing U. S. air bases have become increasingly antagonistic and organized.

The Russians also are very aware that despite the existence of the anti-war clause in the Japanese constitution, Article 9, which forbids the creation of armed forces, Japan already has armed forces that are among the strongest in the Pacific region in manpower and technical support. The debate now taking place in the Japanese parliament to revise Article 9 to allow Japanese participation in UN overseas

peacekeeping operations and as well as suggestions that the army be allowed to assist Japanese citizens abroad in 'times of emergency', may be the first step towards an expanded military role in other areas.

Former Prime Minister Hosokawa's heart felt apology and expression of regret for Japanese aggression toward Asian neighbors during Japan's colonial period was well received in 1993. But statements by his successor's Justice Minister that Korean women, who were forced into prostitution to service Japanese soldiers during World War II, were really licensed prostitutes, and that the Nanjing massacre was a 'mere fiction', show that a deep seated militarism still exists in old-guard Japanese politicians. Given these conditions, some Russian conservatives think it may still be too early to discuss return of the islands.

Despite all this, the Russians have taken conciliatory steps to improve relations with Japan, inform the Russian public more fully about the history of the islands and to weaken movements against return of the islands. In 1991 the Russian government released documents from foreign ministry archives which showed that Czarist Russia never considered the disputed islands as Russian territory but identified the islands as Japanese. In 1992 a joint Japanese-Russian government publication reviewing the historical details of the islands dispute, which was published in Japanese, Russian and English, the Russian side agreed not to include Nishimura's 1952 remarks to the Japanese Diet (see above) that two of the disputed islands were not Japanese territory. In the past the USSR had always included this statement in its argument contesting Japan's legal arguments. Also, in August 1986 the Soviet Union allowed 52 Japanese citizens to visit ancestral graves on all the islands. Gorbachev approved the system of arrangements

that had existed from 1964 to 1976 which did not require the Japanese to obtain passports or visas. From 1976 to 1985 the USSR demanded passports and visas which angered the Japanese as they claimed it acted to legitimize Soviet territorial occupation. Gorbachev's decision to revert to the system that existed before 1976 was a clear attempt to improve relations with Japan.

The Current Japanese Position

It is relatively easy to analyze Japanese relations with Russia and the CIS because the principle of not separating economics and politics is strictly maintained. In most matters of foreign policy, a guiding principle is the separation of economics and politics. The exception for Russian policy gives the Japanese Foreign Ministry the leadership role in this issue, and it has maintained an unambiguous position since the signing of the 1956 Peace Declaration.

The current position of the Japanese government is that the Russians must first acknowledge Japanese sovereignty over all four of the disputed islands, hand over the Habomais and Shikotan as promised in the Peace Declaration, and then Japan will be 'flexible' regarding the question of how and when the other two islands would be returned.³⁰

The nature of the issue for Japan is one more of national pride than of military or economic significance. Japan has maintained all along that the islands have always been Japanese soil, were taken by force, and must be returned before full normalization of relations can be resumed. This stance has greatly limited the scope of Japanese policy toward the Soviet Union. Territorial issues tend to become emotional and leave little room for compromise. There is no ground swell of support in Japan for a shift in relations with the Soviets, nor is there likely

to be given the domestic political problems and the disinterest of the average Japanese in foreign policy matters.

Moreover, in the Japanese view, compromise at this time is not advisable because the combination of new thinking, flexibility, and the problems of the CIS economies might bring a Russian compromise. Time is on their side and the Japanese will prefer to wait further concessions from Russia.

To the Japanese, Russian military fears are unfounded and represent a profound perceptual gap in Asian relations and Japanese national character. Asian Pacific nations are sensitive to any increase in Japanese military capability. The experience of these nations, many occupied by the brutal Japanese military during World War II, has produced a regional consensus against Japanese rearmament that cuts across political and economic systems. A Japan that would be militarily capable of pursuing objectives in support of Japanese interests, beyond a narrow definition of the defense of the Japanese home islands, is considered destabilizing by many nations in the region. Japan has been sensitive to those concerns of neighboring nations. Moreover, the Japanese people do not and have not supported rearmament that would be destabilizing, and are proud of their pacifist political culture. The panic and hot debate that resulted when a Japanese soldier participating in UN peacekeeping operations in Cambodia was killed in May 1993 is ample proof of the Japanese people's pacifist feelings.

Japan has significantly changed its interpretation of the Russian threat. Japan's 1990 White Paper on Defense stated that although Russian military presence in the Asian-Pacific area was unwelcome, it was no longer a threat. The Japanese attitude towards Russia has also

been a bit more conciliatory since the failed 1991 coup attempt. Refusal to consider any economic assistance to Russia without a solution to the territorial issue was subordinated to the need to ensure political stability in Russia. In 1991 the Japanese government announced a \$2.5 billion emergency aid package to Russia. Although political parties were divided on the issue, Russian political stability was considered to be a higher priority, moreover, the return of the islands might well result from Russian domestic stabilization. The Japanese were careful to make the point that emergency aid to Russia was to be distinguished from large-scale economic assistance which is dependent upon successful resolution of the islands dispute. Japan has been flexible in the islands dispute as well. It has agreed to accept the return of two of the islands under the 1956 declaration if Russia recognizes Japanese sovereignty over all the islands, and Russia will be able to maintain administrative control over Kunashiri and Etorofu while sovereignty resides with Japan. The Japanese government has also agreed to economically assist Russian residents of the islands with financial compensation if they decide to return to the mainland, or the possibility of granting permanent residency if they choose to stay.

A Final Solution?

Is there a scenario for a resolution of the territorial dispute? What are the probabilities of a near-term solution? Dozens of scenarios and predictions have been put forth over the years and their chances of success run from extremely small to likely and all points in between.³¹

A likely scenario would be the return of the Habomais and Shikotan to Japan to fulfill the 1956 Peace Declaration. Then, after further negotiations, the islands of Kunashiri and Etorofu would either remain

under Russian administration while sovereignty is transferred to Japan or would revert to joint Russian-Japanese administration and sovereignty. Other conditions most likely to be included in any final solution would probably leave the islands a demilitarized zone, and involve hard currency payments or direct investment in the CIS.

If Russian citizens choose to remain on the islands returned to Japan, then the Russians will most likely require some form of initial financial compensation to raise their living standards to that of other Japanese so as not to feel like second class citizens, that they be granted permanent residency status, and their civil rights will have to be guaranteed. Those Russians who choose to leave will have to be compensated for loss of homes, relocation costs, loss of fishing grounds and enterprises.

Any resolution will most likely require trilateral U.S.-Russian-Japanese consultations on military issues. Although Japan is becoming more independent in its international relations, the U.S. is too much involved in Asian security matters to be left out. Issues for discussion could be reductions in Russian Federation forces in the Far East and Kuril Islands so as not to lead to distortions in the balance of power there, or, although highly unlikely, a possible Okinawa model, i. e., return the islands but retain Russian bases if the U.S. does not reduce its bases in Japan.

The Broader Issues

For Russia and Japan to push ahead towards a solution to the territorial dispute clear and obtainable incentives must be available to each.

For Moscow and the CIS, economic stability and growth are major in-

centives for negotiation on the issue. They are determined to attract vital technical aid and investment to rebuild their economies and Japanese economic aid and technology are highly regarded and sought after. Obtaining this aid will require normalization of relations and an eventual settlement of the territories issue. But Japan is not the only country with the expertise and funds available. The Russians and various members of the CIS have been actively promoting economic alternatives within the Asian-Pacific region, often competing for funds and technology, not only to sidestep the problem of Japan but also because the trade potential of these countries is greater than that of Europe or Japan alone. If relations with Japan do not improve soon it is likely that Russia will do much more to improve relations with other Pacific nations with whom the CIS has no territorial issues pending.

Tokyo's growing interest in playing a leadership role not only in regional but in international affairs has increased the importance of improving its relationship with Russia. This is especially true now that Russia has closer ties with the U. S., Western Europe, South Korea, China and others. Japan could significantly benefit politically from an improved relationship with Russia, and should be concerned about being isolated as the only Russia-basher in the new post cold-war world. The Japanese bid for a permanent seat on the UN Security Council and their growing sense of wanting to be recognized as a significant nation and important world player would be helped considerably by a diplomatic solution to the territorial dispute.

The relationship between Japan and Russia cannot be seen by itself out of the regional context. Their relationship is embedded in broader trends and broader developments in Asia and the U. S.-Russia-Japan strategic triangle. We must remember that while Japan is becoming a

more independent actor in regional and international affairs, it does not seek complete autonomy, but would rather become instrumental in strengthening bilateral, regional and global institutions and relationships. Thus, for a solution to the Japanese-Russian impasse to be reached the U. S.-Japan security treaty must be part of the discussion at some point.

The Russians have made many attempts to insert themselves into Asian regional security issues only to be rebuffed by the Japanese and now realise that Japanese support will be vital to any regional security structure that they would be part of. The U. S. has begun a turning inward, especially in regards to security matters, and there has been a marked downward turn in public support for military outlays and possible loss of life through military intervention. This is especially true regarding feelings about the lack of military support and risk taking by Japan in UN operations. At the same time, there has been continued support for Russia and its drive towards democracy by the U. S. and other western nations. All these variables make a good case for U. S.-Russian-Japanese economic and security cooperation in Asia, and a strong case for Japanese-Soviet rapprochement. The recent uncertainty about North Korean nuclear capabilities and intentions, and continued uncertainties in China, Cambodia, the Philippines, India, and Thailand, to name a few, are ample reason for some kind of US-Russian-Japanese security relationship. The need for such a relationship will give further incentive for resolving the territorial issue.

A final solution to the issue would be especially welcomed by private citizens whose lives are disrupted and sometimes endangered by their leaders' inability to compromise.³² But until Moscow and Tokyo can look beyond their immediate self interest and view the wider implica-

tions and benefits of full-fledged rapprochement a near-term solution seems quite questionable.

- 1 According to a Russian Federation legislative hearing areas similar to the Kurils are: the Dnestr region, the Crimea, and Latvia's and Estonia's claims to parts of Russian territory. *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 30, 1992, pp. 2-7.
- 2 Sallnow, John, *Reform in the Soviet Union: Glasnost and the Future*, (London: Pinter Publishers) 1989, p. 103.
- 3 Stephan, John J.; *The Kuril Islands: Russo-Japanese Frontier in the Pacific*, (Claredon Press: Oxford) 1974, p. 50.
- 4 *Ibid.*, p. 60.
- 5 *Contemporary International Relations-Basic Documents*, (Kajima Institute of International Peace: Tokyo) 1987, p. 69.
- 6 *Ibid.*, p. 72.
- 7 Esthus, Raymond A., *Double Eagle and Rising Sun: The Russians and Japanese at Portsmouth in 1905*, (London: Duke University Press) 1988, pp. 207-212.
- 8 *Contemporary International Relations-Basic Documents*, p. 8.
- 9 *Ibid.*, p. 24.
- 10 The relevant parts of the agreement are: "Article 2: The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, vis: (a) the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union, ...Article 3. The Kuril Islands shall be handed over to the Soviet Union." *Ibid.*, p. 24.
- 11 *Ibid.*, p. 32.
- 12 Stephan, p. 154.
- 13 *Ibid.*, p. 169.
- 14 *Contemporary International Relations-Basic Documents*, p. 97.
- 15 Other objections to the treaty included: it did not contain any guarantees against the re-establishment of Japanese militarism; it did not provide for the withdrawal of foreign occupation troops; it contained no provisions restricting Japan from joining military coalitions aimed against allied partners, i. e. the US; it contained no provisions for the democratization of Japan; it violated China's rights concerning Taiwan, the Pescadores, and

- Parcel Islands and other territories taken from China as a result of Japanese aggression; it contradicted allied obligations under the Yalta agreement regarding the return of Sakhalin and the Kuril Islands to the USSR; economic clauses ensured a US monopoly in Japan; it ignored claims of states that suffered under Japanese occupation. Swearingen, Rodger, *The Soviet Union and Postwar Japan: Escalating Challenge and Response*, (California: Hoover Institution Press) 1978, p. 77.
- 16 Ibid., p. 85.
- 17 Stephan, p. 200.
- 18 Correspondence between Premier Khrushchev and Prime Minister Ikeda, 1961. Oda, Shigeru, & Hisashi Owada, eds., *The Practice of Japan in International Law*, (Tokyo: University of Tokyo Press) 1982, p. 39.
- 19 Oda, p. 42.
- 20 Taylor, Trevor, ed., *The Collapse of the Soviet Empire: Managing the Regional Fallout, Vol. I*, (London: Royal Institute of International Affairs) 1992, p. 84.
- 21 In September 1992, the Sakhalin administration granted a lease to a Hong Kong developer on the island of Shikotan for the development of a resort area; in a separate case the same month, an Australian company started negotiations to develop a golf course on Kunashiri. The Japanese government strongly protested both of these negotiations. *The Japan Times*, 19 September 1992, p. 2.
- 22 Stephan, p. 128.
- 23 Comments by Maj. Gen. Georgy Mekhov, *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 29, 27 July 1992, p. 18.
- 24 Interview with the governor of the Sakhalin region, Valentin Fedorov, which includes the Kurils, in response to a question on Yeltsin returning the islands. According to the Russian Federation Constitution (Art. 84.9) the boundaries of a territory or province may not be changed without its consent by referendum. *International Herald Tribune*, 31 August 1993.
- 25 The UN Charter allows for the seizure of territories that served as a base for aggression as punishment for starting World War II. See Articles 77, 80, and 107 of the UN Charter. Legislative hearing in Russia. *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 30, 25 July 1992, pp. 2-7.
- 26 *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 16, 8 August 1992, p. 14.

- 27 Even this generally accepted view has its opponents. Some think "that the only acceptable way to resolve it (the dispute) is through a detailed and authoritative study either on a bilateral basis or at the international level-by the International Court in The Hague if necessary. If, on the basis of international-law norms, it is proved and recognized that these islands belong to Japan, then we, together with the Japanese side, could search for ways to implementing this finding." *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 36, 11 September 1992, pp. 4-7.
- 28 Yeltsin stated that Russia will honor the 1956 agreement to return the islands after a peace treaty has been signed. *The Japan Times*, 14 October 1993. Also see comments in: *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 16, 21 April 1992, pp. 15-16. Also see comments by Mikhail Poltoranin, Russian Deputy Prime Minister. *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 16, 18 August 1992, p. 14.
- 29 Comments by Maj. Gen. Georgy Mekhov. *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 29, 22 July 1992, p. 18.
- 30 Comments by Japanese Foreign Ministry spokesman. *The Current Digest of the Post-Soviet Press*, Vol. XLIV, No. 40, 8 August 1992, p. 32; and Vol. XLIV, No. 16, 21 April 1992, pp. 15-16.
- 31 Allison, G. Kimura, H., Sarkisov, K.; *Beyond Cold War to Trilateral Cooperation in the Asia-Pacific Region: Scenarios for New Relationships Between Japan, Russia, and the United States*, Harvard University, Institute for Oriental Studies: 1993.
- 32 In December 1993, a Japanese fishing boat skipper was shot when being apprehended by a Russian patrol vessel off Hokkaido and sustained wounds requiring 3 weeks treatment. The vessel came under fire when it refused to stop despite a warning from the Russian patrol boat to cut its engine. Several warning shots were fired "because of the schooner's dangerous maneuvering and refusal to obey the orders of the border guards while in Russian territorial waters." *The Japan Times*, 1 December 1993.