New Initiatives for Solving the Northern Territories Issue between Japan and Russia: An Inspiration from the Åland Islands

Conference

Mariehamn/Åland, 18-20 August 2006

Organized by
Kimie Hara & Masako Ikegami

Proceedings

Edited by
Kimie Hara and Geoffrey Jukes

Issues & Insights
Vol. 7- No. 4

April 2007

Pacific Forum CSIS

Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

Table of Contents

Foreword

The territorial dispute between Japan and Russia, the so-called "Northern Territories"/ Southern Kuriles problem, is one of the major "unresolved problems" since World War II in the Asia-Pacific region. Japan and the USSR restored diplomatic relations in 1956, but failed to sign a peace treaty because of this territorial problem. Even after the passage of over 60 years after the war, and over 15 years after Japan's negotiating counterpart changed from the USSR to Russia, the bilateral negotiations are still *impassé.*

In the year 2006, exactly a half century after the restoration of their diplomatic relations, a three-day conference, *New Initiatives for Solving the Northern Territories Problem between Japan and Russia: an Inspiration from the Åland Model*", was held in Mariehamn, Åland (Finland). The focus of this conference was on employing the Åland experience as inspiration for seeking resolutions for this problem. Nineteen people, including government officials, scholars and military experts, attended the event.

This conference was held as a part of a larger project that seeks to analyze the Åland settlement as a resolution model for the major Asia-Pacific regional conflicts, particularly those derived from the post-war disposition of Japan. The project originally started from a brain-storming discussion among three individuals – Ms. Fumiko Halloran, a well-known writer in Japan, Mr. James Kelly, then President of the Pacific Forum, CSIS, and myself, then on sabbatical leave at the East-West Center in Honolulu in 2000. (In 2001 Mr. Kelly was appointed US Assistant Secretary of State for East Asian and Pacific Affairs.) This project began after that meeting, and the relevant research has been funded by the Matsushita International Foundation and the Social Sciences and Humanities Research Council of Canada.

The idea of holding a conference in Åland came up when Professor Masako Ikegami and I met, again in Honolulu, in summer 2005. Professor Ikegami was then involved in a project comparing Åland and Okinawa, led by Professor Toshiaki Furuki of Chuo University, while I was working on this project as a single-authored book. Later, in April 2006, when I arrived at Stockholm for my research, it became clear that the project could be developed into a collaborative one, thanks to a Japan Foundation grant applied through Stockholm University.

The Åland conference was the fruit of joint efforts by various individuals and institutions. Professor Ikegami was the liaison with the Japan Foundation, through the Japanese Embassy in Stockholm, and with the Åland Government through Ms. Elisabeth Naucler, Director of its Administration. Ms. Naucler arranged the entire day-one on-site briefing program on the Åland Islands, as well as providing the conference venue in the Åland Government building. Furthermore, the conference was blessed with contributions by distinguished participants from Australia, Canada, Denmark, Finland, Japan, Russia,

Sweden, the United Kingdom, the United States – and Åland. Mr. Ralph Cossa, one of the conference participants, kindly offered a venue to post the conference proceedings on the website of the Pacific Forum, CSIS. Professor Geoffrey Jukes has been generously helping the project, by making useful suggestions, mobilizing some participants for the conference, and co-editing this volume. I had the pleasure of sharing the project idea, and general preparation of the conference and the proceedings, in consultation with Professors Ikegami and Jukes, and with the excellent assistance of Mr. Scott Harrison, a graduate student at the University of Waterloo and CIGI Balsillie Fellow.

In addition to the Japan Foundation, the Åland conference was funded by a research grant from the Social Science and Humanities Research Council of Canada, as well as receiving kind support from the Åland Government, the Centre for Pacific Asia Studies (CPAS) at Stockholm University in Sweden, the Centre for International Governance Innovation (CIGI) and the East Asian Studies Centre at Renison, University of Waterloo in Canada.

Kimie Hara
Waterloo, Ontario, Canada

The Åland Settlement as a Resolution Model for Asia-Pacific Regional Conflicts? Considering the "Nitobe Settlement" for the "Northern Territories" Problem as a Case Study

By Kimie Hara

Contrary to the post-Cold War globalization discourse, which tends to posit a de-territorialized and borderless world, the issues of border demarcation and territorial sovereignty, which are classical components of international relations, continue to provide sources of conflict and remain significant problems of international concern. Even though emphasis in international relations shifts from time to time, it does not necessarily diminish the residual sources of confrontation. Yet, while the source of confrontation remains unchanged, so does the possibility of its resurgence. Many regional conflicts are yet to be resolved in various parts of the world, whereas there may be some lessons to be learned from historical precedents of conflict resolution.

This introductory paper proposes examination of the Åland settlement in northern Europe, as a conflict resolution model for major regional conflicts in the Asia-Pacific region, particularly those derived from the 1951 San Francisco Peace Treaty with Japan. Paying attention to their common origin, it suggests considering solution of these regional problems in a multilateral framework. The paper primarily discusses, as a case study, the territorial dispute between Japan and Russia, the so-called "Northern Territories"/Southern Kuriles problem. In dealing with the Åland settlement, it pays special attention to Japan's involvement in the League of Nations, particularly that of Inazo Nitobe, as the case may be referenced as a successful precedent for Japanese diplomacy.

From Bilateralism back to Multilateralism: The San Francisco Peace Treaty and Regional Conflicts in the Asia-Pacific[1]

After the Second World War, many regional conflicts emerged in the Asia-Pacific region, such as the "Northern Territories"/Southern Kuriles, Takeshima/Tokdo, the Senkaku/Diaoyu Islands, and the Spratly/Nansha Islands sovereignty disputes, the divided Korean Peninsula, the cross-Taiwan Strait problem, and the Okinawa problem, pivoting on the large US military presence in the region. These are divisive issues, that continue to stir conflict throughout the region. Although these problems tend to be treated separately or as unrelated, they all share an important common foundation in the post-war

[1] For details on the San Francisco Peace Treaty and regional conflicts in the Asia-Pacific, see Kimie Hara, *Cold War Frontiers in the Asia-Pacific: Divided Territories in the San Francisco System*, Routledge, 2007; *Sanfuranshisuko heiwajoyaku no moten: ajiataiheiyo chiiki no reisen to "sengo mikaiketsu no shomondai"*, Keisui-sha, 2005.

territorial disposition of Japan, particularly the 1951 San Francisco Peace Treaty. Vast territories, ranging from the Kurile Islands to Antarctica, and from Micronesia to the Spratlys, were disposed of in the Peace Treaty. However, neither their final devolution nor their precise limits were specified, and this left seeds of various "unresolved problems" in the region. (Table 1 shows the nexus between the San Francisco Peace Treaty, the existing regional problems in the Asia-Pacific, and the states directly concerned with them.[2])

San Francisco Peace Treaty	Relevant Regional Problem	Directly Concerned States
Article 2		
(a) Korea	Reunification of Korea	DPRK - ROK
	Takeshima/Tokdo Dispute	Japan - ROK
(b) Formosa (Taiwan)	Cross-Taiwan Strait Problem	PRC - ROC
	Senkaku/Diaoyu dispute	Japan – PRC, ROC
(c) South Sakhalin, Kuriles	"Northern Territories"/South Kuriles Dispute	Japan – Russia (USSR)
(d) Micronesia	Status	USA – FSM, RMI, ROP, CNMI
(e) Antarctica	Antarctic Sovereignty Dispute	UK, Norway, France, Australia,
	[Frozen by the Antarctic Treaty]	New Zealand, Argentina, Chile
(f) Spratlys, Paracels	Spratlys and Paracels Disputes	PRC, ROC, Vietnam,
		Philippines, Malaysia, Brunei
Article 3		
Okinawa, Bonin, Amami Is.	Status (Okinawa)	USA – Japan (Okinawa)
	Senkaku/Diaoyu Dispute	Japan – PRC, ROC

Table 1. The San Francisco Peace Treaty and Regional Problems in the Asia-Pacific

The Allies' documents, particularly those of the United States, the principal drafter of the San Francisco Peace Treaty, are important sources for learning how these "unresolved problems" were created. Close examination of them reveals key links between the regional Cold War and equivocal wording about designation of territory, and suggests "multilateralism" as a key to understanding these problems and, possibly for their future resolution.

Prior to the final draft of the San Francisco Peace Treaty, which was completed in 1951, six years after the war ended, several treaty drafts were prepared. As a whole, earlier US drafts were long and detailed, providing clear border demarcation, in order to minimize future territorial conflicts. However, the drafts went through various changes, and eventually became shorter and "simpler." For example, early drafts specified that Takeshima/Tokdo was Korean territory, then transferred ownership to Japan (1949), then omitted any designation of this area (1950). China was specified as the recipient of Taiwan for some time, but this designation also vanished (1950). Similarly, the USSR

[2] Ibid., p.186 (2007); p.288 (2005).

was initially specified as the recipient of the Kurile Islands, but this specification disappeared in the final stage of treaty drafting (1951).

The equivocal wording of the Peace Treaty was neither coincidence nor error; it followed careful deliberation and multiple revisions. Various issues were deliberately left unresolved due to the regional Cold War. Earlier drafts were, as a whole, based on US wartime studies, and were consistent with the Yalta spirit of inter-Allied cooperation. However, against the background of the emerging Cold War, particularly with the outbreak of the Korean War, the peace terms with Japan changed in such a way as to reflect new strategic interests of the USA, the main drafter of the Treaty, namely that Japan had to be secured for the non-communist "west", whereas the communist states were to be "contained". Meanwhile, drafts of the Japanese peace treaty were "simplified," and intended recipients for Taiwan (Formosa), the Kuriles and other territories disappeared from its text. In this way, the treaty sowed the seeds of future disputes. Thus, it is no coincidence that the major conflicts derived from the San Francisco Peace Treaty line up along the regional Cold War frontiers, i.e. the so-called "Acheson Line" and "Containment Line" (See Figure 1).[3]

Historical experience suggests that it is difficult to solve these problems bilaterally, or through negotiations confined to the nations directly involved in the disputes. In fact, these issues may be irresolvable so long as they remain within such frameworks. The San Francisco Peace Treaty was an international agreement, negotiated and signed multilaterally, making the forty-nine signatories the "concerned states". The USA, together with the UK, finalized the treaty drafts, but by adopting certain ideas from other "concerned states." For example, countries such as Canada—which became concerned about a possible accusation of unequal treatment of different territories—proposed not to specify the final devolution of any territory after the allocation of Taiwan (to China) vanished from the treaty drafts, while the recipient of the Kuriles (the USSR) was still specified. The eventual adoption of this proposal proved convenient for the US Cold War strategy as well, for example in preventing rapprochement among the countries of the region.[4]

With regard to the regional conflicts derived from the San Francisco Peace Treaty, it is noteworthy that there was no mutual consensus between the states directly concerned with these conflicts. Except for Japan, the major states involved in the conflicts either did not participate in the San Francisco Peace Treaty Conference (China, both Koreas), or participated but did not sign the Treaty (the USSR). These problems were created multilaterally, and bequeathed unresolved to the countries directly concerned.

[3] http://japanfocus.org/products/topdf/2211
[4] Ibid.

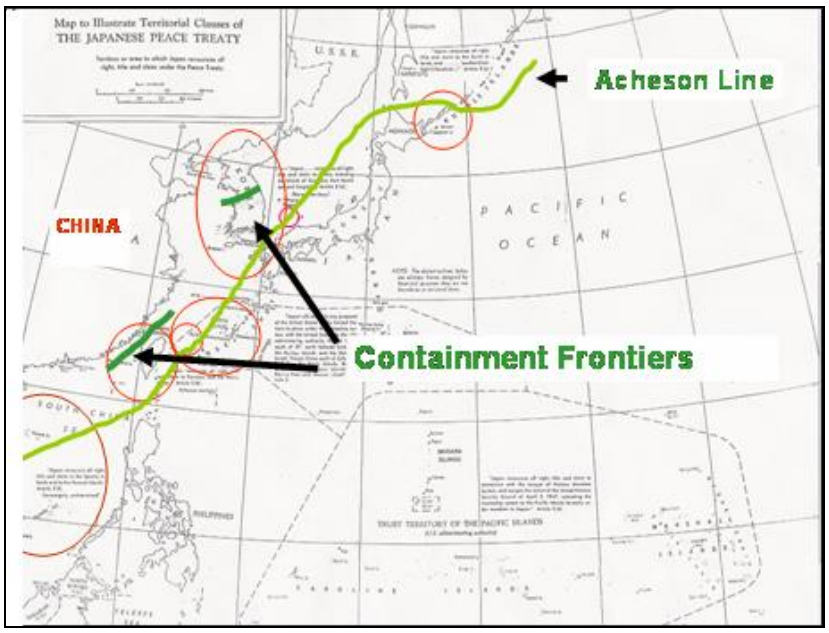


Figure 1: Cold War Frontiers, Regional Conflicts, and the Territorial Clauses of the San Francisco Peace Treaty[5]

The "Northern Territories Problem"

This project focuses on the "Northern Territories"/Southern Kuriles problem between Japan and Russia as a case study. Like other problems derived from the post-World War II disposition of Japan, the "Northern Territories" problem is a multilaterally created bilateral problem. Chapter II of the San Francisco Peace Treaty specified that Japan renounced Southern Sakhalin and the Kurile Islands, but did not specify these territories' recipient or their precise boundaries. The treaty was legitimized in a multilateral framework in being signed by forty-nine countries, but the signatories did not include the USSR.

There had been no such border dispute before the war. The demarcation line between Japan and Russia had changed in 1855, 1875 and 1905, but this was done by mutual consent. Nor does the dispute originate solely in the San Francisco Peace Treaty. Agreement to transfer Southern Sakhalin and the Kurils from Japan to the USSR was reached by Roosevelt, Churchill and Stalin at their Yalta Conference in February 1945. However, the problem emerged at San Francisco, since the Treaty did not include a clear boundary demarcation. There is still no peace treaty between Russia and Japan, and the territorial issue remains to this day the biggest obstacle to normalizing relations between them.

[5] Ibid.

Including the "Northern Territories"/ Southern Kuriles problem, many past studies on individual Asia-Pacific regional conflicts tended to ignore their multilateral aspects, although a multilateral approach might have been a key to solving some, if not all, of them. Two trilateral research projects on the "Northern Territories" problem were in fact undertaken by Japanese, Russian and American scholars in the 1990s.[6] These produced significant papers, from which we can still learn much, but the problem itself remains unresolved.[7]

Incidentally, since the end of the US-USSR Cold War, there have been various attempts to reconsider regional security arrangements in a multilateral context, including multilateral institution-building as an alternative or addition to previous strongly bilateral approaches in the Asia-Pacific.[8] Yet discussion of the regional conflicts has tended to concentrate on "conflict management", aimed at avoiding escalation to military clashes between the countries directly concerned, such as establishing a "code of conduct" or "confidence-building measures".[9] Efforts to avoid intensifying conflicts are certainly important, but "conflict management" alone cannot provide fundamental solutions of these problems. Such can be achieved only by removing the sources of the conflicts. It is worth seeking their clear solution within a multilateral framework, particularly considering their multilateral origins.

---

[6] Graham T. Allison, Hiroshi Kimura, Constantin O. Sarkisov eds., *Beyond Cold War to Trilateral Cooperation in the Asia-Pacific Region: Scenarios for New Relationships between Japan, Russia, and the United States*, Belfer Center for Science and International Affairs Strengthening Democratic Institutions Project, Harvard University, 1992. James E. Goodby, Vladimir Ivanov, Nobuo Shimotomai, *"Northern Territories" and beyond: Russian, Japanese, and American perspectives*, Praeger, 1995, 368pp.

[7] For the "Northern Territories" problem, there are in fact a large number of publications, many of which emerged in the 1990s. For example, Kimie Hara, Japanese-*Soviet/Russian Relations since 1945: A Difficult Peace,* London/New York: Routledge, 1998; Tsuyoshi Hasegawa, *The Northern Territories Dispute and Russo-Japanese Relations, Vol. I, Between War and Peace, 1697-1985; Vol. II, Neither War nor Peace, 1985-1998,* Berkeley, CA: University of California, Berkeley, International and Area Studies, 1998; Hiroshi Kimura, *Nichiro kokkyo kosho-shi: ryodo mondai ni ikani torikumuka*, Tokyo: Chuokoron-sha, 1993; Takahiko Tanaka, *Nisso kokko kaifuku no shiteki kenkyu,* Tokyo: Yuhikaku, 1993; Haruki Wada, *Hoppo ryodo mondai o kangaeru,* Tokyo: Iwanami-shoten, 1990; ___, *Hoppo ryodo mondai – rekishi to mirai*, Tokyo: Asahi shimbun-sha, 1999.

[8] For example, Alexander A. Sergounin, "Russia and the Prospects for Building a Multilateral Security System in the Asia-Pacific", *Pacifica Review: Peace, Security & Global Change*, 1 June 2000, Vol. 12, No.2, pp.167-188 (22); Ippei Yazawa, "Whither East Asian Regionalism", *Asia-Pacific Review*, 1 November 2001, Vol. 8, No.2, pp.18-27 (10); G.J. Ikenberry, J.Tsuchiyama, "Between balance of power and community: the future of multilateral security co-operation in the Asia-Pacific", *International Relations of the Asia-Pacific*, 1 February 2002, Vol. 2, No. 1, pp.69-94 (26).

[9] For example, Hong K-J, "Prospects for CBMS on the Korean Peninsula: Implications from the Helsinki Final Act Revisited", *Contemporary Security Policy*, December 2002, Vol. 23, No. 3, pp.121-144 (24); Lin C-Y, "Confidence-Building Measures in Taiwan Strait", *American Foreign Policy Interests*, 1 April 2001, Vol. 23, No. 2, pp.87-98 (12); Russ Swinnerton, "Confidence-building measures at sea: the challenges ahead in Southeast Asia" *The Pacific Review*, 8, No. 2 (1995), 327.

Settlement by Multilateralism － Past Attempts

On a couple of occasions in the past Japan attempted to seek a solution to the "Northern Territories" problem within a multilateral framework. One was the international conference idea raised during the mid-1950s Japanese-Soviet negotiations, and the other was the "internationalization" attempt in the G7 arena in the late 1980s and early 1990s.

The international conference idea was mooted during the so-called "Dulles Warning". In August 1956, Japanese Foreign Minister Mamoru Shigemitsu was about to reach a compromise with the Soviet Union over their offer to return Shikotan and the Habomais to Japan and conclude a peace treaty. However, US Secretary of State John Foster Dulles put pressure on him, by warning that Japan's residual sovereignty over Okinawa could be endangered if it were to make concessions to the USSR.[10] On this occasion Shigemitsu inquired about holding an international conference to discuss the future of the "Northern Territories" and Okinawa. In the previous year the USA had supported the idea of settling the "Northern Territories" future by international decision. However, the USA had since come to fear that this procedure might raise questions about other issues related to the San Francisco Peace Treaty, specifically the US occupation of Okinawa and treatment of Taiwan. Okinawa was the core of US East Asian strategy, and the USA and UK had different policies over Taiwan.[11] To protect US strategic interests, and also to avoid unnecessary conflict between allies, the US attitude to an international conference changed, and Dulles responded negatively to Shigemitsu's enquiry.

Later, in the 1970s, having grown into an economic superpower, Japan began to hammer out the *seikei fukabun* policy, linking the political problem of the "Northern Territories" with economic issues. This policy was initiated within the bilateral framework, in such areas as bilateral economic cooperation. However, from around the late 1980s Japan began to seek support from the other G7 members, i.e., attempted to "internationalize" or "re-internationalize" the problem. Its effort to include statements regarding this issue in the G-7 summit declaration was one of the most obvious examples. Although this approach looked successful, and seemed to be working until the London Summit (1991) and Munich Summit (1992), Japan was unable to gain stable or reliable international support. Its unforthcoming attitude towards economic

[10] For details, see Shunichi Matsumoto, *Mosukuwa ni kakeru niji – nisso kokko kaifuku hiroku*, Tokyo: Asahi Shimbun-sha, 1966.; Masaaki Kubota, *Kuremurin heno shisetsu: hoppo ryodo kosho 1955 – 1983*, Tokyo: Bungei Shunju-sha, 1983; *Foreign Relations of the United States (1955-57) Vol. XXIII, Part I, Japan*, 1991, pp.202-3.

[11] For details see Hara (1998), p.51; Tsuyoshi Hasegawa, *The "Northern Territories" Dispute and Russo-Japanese Relations, Vol. I, Between War and Peace, 1967-1985*, Berkeley, CA: University of California Berkeley, International and Area Studies, 1998, p.115.

assistance to the Soviet Union (and later Russia), which was on the verge of political and economic breakdown, invited international recriminations and put it in a difficult position.[12] One of the major criticisms came from former US President Richard Nixon. In an article contributed to the *New York Times*, March 5, 1993, Nixon condemned Japan for "conditioning aid on Russia's return of four tiny northern islands". Japan ended up receiving the *gaiatsu* (foreign pressure) it had originally planned to put on the USSR/Russia, and was forced to amend its aid policy toward Russia. The *seikei fukabun* policy virtually collapsed in that year.

After the end of the Cold War, the USSR's major successor, Russia, has radically improved its relations with many countries of the former Western bloc. Russia became invited to participate in the G7 Summit as an observer, so that the G7 became "G7 plus one" and then "G8". In 2006, Russia hosted the G8 Summit, thus officially demonstrating its status in the "advanced nations' club". Now relations between the USA and Russia have been transformed from the former Cold War confrontation to the present status of "partners", sharing similar values and interests. Especially since September 11, 2001, the two countries have been somewhat in accord in putting priority on policies "against terrorism". Although Japan has been a member of the G7 since its initiation, it appears to have been left behind by the other G7 countries in relations with Russia, due to the territorial problem. The international political dynamism surrounding Japan and Russia has changed greatly over the last decade, and for obtaining international support over the "Northern Territories" issue, may have become less advantageous for Japan.

Domestic Politics & the Border Settlement

The approach Japan took in the G7 in the early 1990s was perhaps mistaken. Policies using Cold War dynamics no longer work. However, an "internationalization" or "multilateralist" approach to the territorial dispute itself may be indispensable for resolving the issue. With the end of the Cold War, the international political obstacle preventing the two countries' rapprochement is removed. Meanwhile, with the passage of time, solution of the territorial problem by direct bilateral negotiation has in a way become even more difficult domestically. This is probably more so in Japan.

The domestic Cold War system of Japan, the so-called "1955 System" collapsed in 1993. The socialist parties are less influential than in the past. However, the same conservative ruling party, i.e. the Liberal Democratic Party (LDP), has been back in power in the mainstream of Japanese politics. Furthermore, Japan's foreign policy decision- making, particularly toward Russia, in which the Ministry of Foreign Affairs

[12] For detailed study on this point see Akitoshi Miyashita, "Gaiatsu and Japan's Foreign Aid: Rethinking the Reactive-Proactive Debate", *International Studies Quarterly* (1999) 43, pp.695-732, especially pp.718-725 .

takes leadership under the LDP-lead government, remains very similar to the Cold War era. Its conventional "Northern Territories" policy of the "four islands return", claimed for a long time, has become solidified as a domestic policy norm, from which it is very difficult to deviate.

In Russia, on the other hand, after accomplishing the drastic political changes through the collapse of the former Soviet system, it is in a way easier critically to review old government policies and present more flexible alternatives. This is especially so, when the political leadership is stable. The historic resolution of the Russo-Chinese border dispute in 2004 was the most recent example of this. Nevertheless, it is still difficult to make political concessions over its territorial disputes, especially with ongoing independence movements in its vast territories, such as in Chechnya.

Adversarial relations exist among political parties and factions both in Russia and Japan. Any concession on the territories can be regarded as an act of "anti-patriotic principle", and be exploited to obtain nationalistic support and attack political opponents. However, the situation may be different if a settlement is sought within a multilateral framework, and it may be easier to obtain understanding for it domestically, since politicians can attribute their concessions to international community pressure, and avoid domestic criticism such as "lost in negotiation against Russia (Japan)". Thus, both governments can possibly come to an agreement without loss of face, under the veil of multilateralism or internationalism.

Like many other problems in the region, the "Northern Territories" problem was left unresolved, largely influenced by the regional international relations of the Asia-Pacific in the early-post World War II period. In the 1950s the international conference idea could not be realized due to the complicated international politics of the Cold War in Asia, where interests of the Allied powers were entangled. However, those obstacles have already disappeared. Okinawa has been returned to Japan, and US-UK differences over China policy have also been resolved. Rapprochement was achieved in US-USSR and China-USSR relations. The international environment surrounding the problem has changed greatly. However, what has not changed is that many countries are interested in the possible influence of Russo-Japanese rapprochement and their territorial solution on the regional power balance in the Asia-Pacific. It seems reasonable to explore possibilities for solution of the "Northern Territories" problem, as well as some (if not all) of the other regional problems, back in a multilateral framework.

The Åland Settlement as a Conflict Resolution Model?

Then what kind of multilateral settlement is possible? Existing frameworks may be used, or new ones created. There are regional institutions such as the ASEAN Regional Forum (ARF), or global organizations such as the United Nations or the

International Court of Justice. Alternatively, an international conference may be held by the "concerned states" that share historically responsibility or national interests in this region. Such multilateral frameworks may be used to discuss, endorse, or legitimize a settlement.

In terms of the content of a settlement, there are historical precedents of conflict resolution, from which some lessons may be learned. Here, I would like to draw attention to the settlement of the Åland Islands problem on the other side of the Eurasian continent, the first international conflict resolved by the League of Nations established after World War I. When Finland became independent from Russia in 1917, an international dispute arose over whether the Åland Islands should be transferred to Sweden or should remain part of Finland. Most of the residents were Swedish, and wished to be reunited with Sweden. However, the League of Nations decreed in 1921 that Finland should retain sovereignty.[13]

The Åland Settlement deserves attention as a conflict resolution model in several respects. It features autonomy, demilitarization and neutralization, and Finland, while retaining sovereignty, undertook to guarantee the inhabitants' political autonomy, the Swedish culture and customs, and Swedish as the sole official language. The decision was supplemented by a treaty between Finland and Sweden on how to effect the guarantees, and, at League of Nations insistence, a treaty on Åland's demilitarization and neutralization was drafted. The islands' proximity to the Swedish mainland creates an obvious danger for Sweden from military bases in the hands of a hostile power. The Islands hold the key to control of the Gulf of Bothnia, and their demilitarization and neutralization has significant meaning for the security of not only Sweden, but also the region. The Åland settlement was positive-sum for all parties, including the residents of the disputed islands. Finland received sovereignty, Åland residents autonomy combined with guarantees for their language and culture, and Sweden guarantees that Åland would not constitute a military threat. Even after the passage of over 80 years, the basic principles of the settlement are intact.

This Åland Settlement qualifies as an important model for settlement of the "Northern Territories," as well as some, if not all, of other Asia-Pacific regional problems, in several respects. It was an international conflict resolution of a bilateral issue reached within a multilateral framework. The settlement by the League of Nations was reached only a few years after the problem came to the surface. Yet the problem was brought to the multilateral League of Nations precisely because Sweden and Finland could not resolve it within a bilateral framework. In the "Northern Territories" case, it

[13] James Barros, *The Aland Islands Question: Its Settlement by the League of Nations,* New Haven and London: Yale University Press, 1968.

has been over a half century since the problem emerged. That should be long enough waiting time for a move on to a multilateral settlement.

Neutralization and demilitarization may be the most important conditions for a settlement. The "Northern Territories" share the nature of the Åland Islands problem through their geo-strategic importance. Located as part of the gateway of islands between the Pacific Ocean and the Sea of Okhotsk, their strategic importance is significant to both nations. With the nearest of them only 3.7 km from Japanese Hokkaido, if the islands remain Russian, their demilitarization would be significant for Japan's security. Alternatively, if Japan possesses all or part of them, demilitarization and neutralization would be important not only for both nations, but also for the security of Northeast Asia.

The Åland settlement was a humane solution in the sense that the residents' interests were somewhat respected in the unique arrangement, even though the Finnish and Swedish governments had conflicting interests. This point is noteworthy in the present context, especially with the "human security" concept receiving growing attention in post-Cold War IR discourse. The "Northern Territories" are also inhabited, currently by Russians. The residents' future should be an important element in considering how to resolve the dispute.

In dealing with the Åland settlement, particular attention may be paid to the Japanese role in it, in the context of its involvement in the League of Nations, of which Inazo Nitobe was Deputy Secretary-General, and of its Council (i.e., equivalent to the present UN Security Council), of which Japan was then a permanent member. Nitobe was a Japanese intellectual, whose prominent career achievements included service at the League of Nations and the Institute of Pacific Relations. He died in Victoria, B.C., and has become a somewhat symbolic figure linking Canada and Japan, two countries taking strong human security initiatives in the post-Cold War era, particularly within the UN framework. The 1998 issue of the Journal *Nitobe Inazo kenkyu (Inazo Nitobe Studies)* described his involvement in the Åland settlement as Deputy Secretary-General of the League of Nations, and called the settlement "*Nitobe Inazo saitei (settlement)".*[14] So the case may be cited as a successful precedent for Japan's diplomacy in the present context, i.e., in considering its role in multilateral/international organizations (e.g. the UN), human security and conflict resolution, particularly solutions for its own territorial problems.

However, the information provided in the above-mentioned journal does not make clear to what extent Nitobe was actually involved in the Åland settlement. Although several books have been written on Nitobe and the Åland settlement

[14] *Nitobe Inazo Kenkyu*, No. 7, 1998, p. 39.

respectively, little is known about their relationship. This point needs further investigation.

Limitations and Modification of the Åland Model

Although the Åland settlement seems to offer us various lessons, not all are necessarily applicable to other conflict resolutions. For example, as far back as is known, the residents of the Åland Islands have been Swedish-speaking, and their culture essentially that of Sweden. However, the Russians have inhabited the "Northern Territories" only since 1945. One of Japan's main arguments for the return of these islands, the so-called *koyu no ryodo-ron* (inherent territory theory), is that they had never been occupied by other nations before World War II. However, the islands originally belonged neither to Japan nor to Russia, but to the indigenous Ainu. Thus there is another problem, namely how to treat the Ainu, who never had a state. The "Northern Territories" issue is therefore more complex and requires even more careful deliberation than the Åland case, as the interests of current, previous and original residents have to be considered.

For conditions, such as autonomy and demilitarization of the "Northern Territories" (if applicable), there is a question of "to which islands do they apply?" Transfer of the "two small" islands of Shikotan and the Habomais from the USSR to Japan was previously agreed in the 1956 Joint Declaration. Thus, the question would arise whether the Åland model should be applied to (1) all four disputed islands, or (2) only the "two large" islands of Kunashiri and Etorofu.

As for the framework of multilateralism, the present equivalent to the League of the Nations is the United Nations (UN). The Åland problem was entrusted to the League of Nations because the Permanent Court of International Justice (1921–45) had not been established yet. However, there is the International Court of Justice (ICJ) for arbitration of international disputes today. According to the Article 94 of the UN Charter, all UN members should comply with ICJ's decisions involving them. If parties do not comply, the issue may be taken before the UN Security Council for enforcement action. One aspect of the Åland Settlement was that the case was relatively easy for the League of Nations to handle, because both countries directly concerned, Finland and Sweden, were middle powers. Both the League of Nations and the United Nations were constructed by political entities. In principle the member countries are all equal, but in reality they are not. The organizations have always delegated greater responsibility in security matters to the more powerful members of the international community. In the League's executive organ, the Council, as in the UN Security Council, permanent great power representation was stipulated, and the power of veto was included at their inception. In the Åland Settlement, the League Council's decision, which Sweden and Finland accepted, was in

many ways a consideration by the powers of those days.[15] The *Nitobe Settlement,* if such it was, became possible because Japan was a Council member, empowered to bring the proposal to the Council as one of the "powers" of the time. However, the nature of relations between the countries directly concerned in the "Northern Territories" problem is different. Both Japan and Russia are presently big powers, but only Russia is a permanent member of the UN Security Council, empowered to veto any arbitration proposal it judges disadvantageous or inconvenient. Therefore, it appears difficult for Japan to use the existing United Nations' framework.

There is much room for examination of multilateralism for the "Northern Territories" problem. Would multilateralism work for mediations, arbitrations, or political negotiations? Alternatively, can a multilateral framework be used to internationally endorse or legitimatize bilateral agreements between Japan and Russia? If so, what kind of framework would be appropriate? These points need further investigation.

The Åland Islands and the "Northern Territories"

The "Northern Territories" became an "unsolved" problem against the background of the Cold War. Even with the passage of over a decade since the end of that War, it has not yet been solved. During the Cold War period, this problem was in a way a convenient excuse for Japan not to deal with the USSR. However, it is now nothing but an obstacle. An important condition for peace is removal of the sources of conflict. Even though relaxation of tensions occurs and/or conflict management works at times, if the source of confrontation remains unchanged, so does the possibility for its future resurgence. Furthermore, where difference remains, there also remains a possibility of political exploitation by third parties. For example, some neighboring countries may try to use the issue to develop strategic partnership with Russia against Japan (or *vice versa*). Eventual removal, i.e., solution, of the dispute best suits both Japan's and Russia's national interests. However, the problem has been stuck at deadlock, and is likely to remain so as long as it stays within a bilateral framework. The possibility of settlement within a multilateral framework needs to be investigated.

In his lecture entitled "What the League of Nations has done and is doing" at the International University, Brussels, September 1920, Inazo Nitobe touched upon the Åland Islands problem and said as follows,

[15] Barros, *op.cit.,* p.341.

> If the League succeeds in settling this dispute, as it is to all appearance on a fair way to doing, it will establish a precedent for dealing in future with similar questions that may disturb the amicable relations of States, whether large or small. [16]

As he indicated, the League succeeded in settling in this dispute and established a unique precedent of dispute settlement.

Whereas there are a number of studies on the Åland settlement, no in-depth study is found on its potential applicability to the Asia-Pacific region. Likewise, whereas there are a number of studies on the "Northern Territories" problem, no in-depth scholarly research is found on application of the Åland settlement. It seems worthwhile to consider applicability of that model in greater detail.

[16] *What the League of Nations has done and is doing – Lecture by Inazo Nitobe, Under-Secretary General and Director of International Bureau, League of Nations.* pp.20-21. (League of Nations, 1.N. N310. 12, Tokyo Women's University, Nitobe Collection.)

The Autonomy of Åland and Conflict Resolution

By Elisabeth Nauclér

The Åland settlement has become one of the most famous solutions in terms of autonomy arrangements. It has over the decades inspired other peoples around the world to study the result of the conflict, its mechanisms and take this option into consideration when searching for a common path in conflict areas.

Why is Åland connected with conflict resolution?
Why has the Åland solution been viewed as so interesting?
Can the Åland solution be copied by other minority groups or conflicting parties?
Is the Åland autonomy outdated?
Is democracy and wealth a prerequisite for a viable solution?
Could it only be used in territories where there has not been any bloodshed?

I hope at least some of these questions will be answered here, but let me first of all introduce the reader to the question, and give some of the historical background.

The Åland Islands consists of more than 6,500 islands and skerries, situated in the northern Baltic Sea between Sweden and Finland. Only about sixty of them are inhabited all year round. The combined land and sea area totals 6,784 km2. The region is divided into 16 municipalities, and the only town is Mariehamn. The population amounts to 27,000, of whom 11,000 live in Mariehamn. Nine-tenths of the Ålanders live on the largest "Main" Island. About 94 percent of the population speak Swedish as their mother tongue. The Ålanders have been Swedish-speaking since as far back as is known, and therefore are part of the Swedish cultural heritage.

Since Åland is a group of islands, the Åland autonomy is a territorial autonomy, but it would also fit into the notion of cultural autonomy, as the Swedish language and culture constitute the autonomy's foundation.

The Historical Background

Åland was a very old region of Sweden, and had a Swedish population long before Finland was incorporated into the Swedish realm in the thirteenth century. The Ålanders therefore, in addition to economic and geographic considerations, developed close social contacts with Stockholm and the nearby coastal area of Sweden.

The Åland Islands, together with Finland, belonged to Sweden until 1809, at which time Sweden, after losing a war with Russia, was forced to relinquish Finland, together with Åland, to the victor. The Åland Islands thereby became part of the Grand Duchy of Finland,

under the Tsars of Russia, viewed as an important outpost of the Russian Empire. As a Russian guardian of the Baltic Sea, Åland became involved in the Crimean War of 1853-1856, in which Russia was defeated but allowed to keep the islands. The Peace Treaty was concluded in Paris in 1856, and a Convention, signed by France, Britain and Russia, required Russia to undertake not to re-fortify the Islands. Demilitarisation is one of the cornerstones in the foundation of the special status that the Åland Islands enjoy under international law today.

When the Russian Empire started to disintegrate, but before Finland declared independence in December 1917, the Ålanders began to struggle for reunion with their traditional mother country, Sweden. A mass petition in favour of reunion was signed by 96 percent of the resident Ålanders of legally competent age, and conveyed to the King of Sweden. But the new-born state of Finland, which had been proclaimed by virtue of the principle of national self-determination, was not prepared to give up one part of the country. Finland suffered from the civil war that took place during the same period, and the Finnish government had the support of most Finns for establishing control throughout the country and restoring social order.

In April 1919, Sweden raised the Åland question at the peace conference in Paris, but it was not considered possible to settle a dispute between two neutral countries in this connection. The interest French Prime Minister George Clemenceau had shown, at the conference, in Sweden's demand for a plebiscite in Åland, initiated the drafting in Helsinki of an Autonomy Act for the Ålanders. The Finnish Parliament adopted this Act on May 6, 1920, and in that month a delegation representing the Finnish government, and headed by the Prime Minister, arrived in Mariehamn. A meeting was convened there, at which the Autonomy Act was presented to representatives of the Ålanders. However, the Ålanders aim was not autonomy, but reunification with Sweden, so the Finnish initiative was rejected. The meeting took a dramatic turn when two of the Åland representatives were arrested on a charge of high treason. Sweden sent a diplomatic note protesting about the arrests, and this intervention turned the controversy into an international issue, paving the way for League of Nations intervention. Great Britain took the initiative of referring the Åland Islands question to the League in July 1920.

Decision by the League of Nations

The decision made by the League of Nations in Geneva on June 24, 1921 was based on a proposal submitted by the international Committee of Rapporteurs, a political organ appointed to propose a fair solution to the dispute. Sovereignty over the Åland Islands was recognized as belonging to Finland. Furthermore, the Council of the League stated that "peace, future cordial relations between Finland and Sweden and the prosperity and happiness of the islands themselves can only be consolidated through measures envisaging a) new guarantees for the population of the islands; b) the neutralization and non-fortification of the

archipelago." The League of Nations called upon Finland and Sweden to negotiate and reach agreement on the additional guarantees.

Three days later, Finland and Sweden presented to the Council of the League a text, known as the Åland Agreement, whereby the two parties agreed on the terms under which Finland undertook to preserve the Swedish language, culture and local traditions. The Åland Agreement was not signed, and is formally not a legally binding document, but Sweden admits to being legally and morally bound by it. The Council approved the agreement's terms on June 27, 1921 and its principles still apply today.

Under the terms of the Åland Agreement Finland undertook to introduce the guarantees into the Autonomy Act. The most important guarantee is that the language of instruction in schools supported or subsidised by the State, Åland authorities or municipalities should be Swedish. Finnish is taught in schools, but today there are no schools where Finnish is the language of instruction.

The right to buy land in Åland would be reserved for people domiciled in the Islands. The way of regulating this rule has changed over the years. People who have resided in the Islands for less than five years can apply to the Åland Government for a permit to acquire land in Åland. The right to vote in municipal elections, and to be elected to the Åland Parliament, would be restricted to the resident population.

The Governor, who is the representative of the Finnish state in the Islands, would be nominated by the President of Finland in agreement with the Speaker of the Åland Parliament. If an agreement could not be reached, the President of Finland would choose a Governor from a list of five candidates nominated by the Parliament of Åland.

The Åland Agreement was included in the Guarantee Act of 1922, and after this law was adopted the Ålanders reluctantly agreed to apply the Autonomy Act. The Parliament did not hold its first plenary session until June 9, 1922, and this day is annually celebrated as Autonomy Day, the "National Day" of the Åland Islands, the day when the people of Åland commenced their autonomous existence.

The League of Nations assumed responsibility for supervising the application of the guarantees. Finland was obliged to forward to the Council of the League, with observations, any petitions or claims of the Parliament of Åland in connection with the guarantees in question, and the Council should in turn, in any case where the question was of a juridical character, consult the Permanent Court of International Justice. This provision was later (1951) abolished.

In autumn 1921 a conference was held to draft a new convention on demilitarisation and neutralisation. According to the Convention concluded on October 21, 1921 by Denmark, Estonia, Finland, France, Germany, Great Britain, Italy, Latvia, Poland and Sweden, Finland was to confirm the prohibition against fortifying the Islands that Russia had accepted in 1856. No military operations, air or naval bases would be allowed in the Islands. The ten signatory states agreed to regard the Åland Islands as a neutral zone in wartime, and not use it for military operations. The Soviet Union was not a signatory to the Convention, but tacitly accepted it.

The Åland Islands question is one of the few conflicts that have been settled by an international organisation with a durable result. The Åland Agreement adopted by the League of Nations in 1921 has been considered one of the most far-reaching international guarantees for a national minority ever to have been drawn up. It was said that "the Ålanders should be assured the opportunity of arranging their own existence as freely as is possible for a province not constituting an independent state".

The Evolution of Åland's Autonomy

The eighty years of Åland's autonomous life have not been static. The status has evolved over time, in response to arising needs and changing times. After thirty years of autonomy governed by the Agreements of 1921, a new Autonomy Act was introduced in 1951. This Act transferred several new legislative and administrative powers to the Åland spheres of competence, and was therefore viewed by Ålanders as a major step forward. For the first time it listed the division of legislative and administrative competence between the Åland Parliament and the Parliament of Finland. Despite several changes that could be viewed as progress, the new Act was adopted with only seventeen votes (out of thirty) in favour. The reason was that the international guarantees were not included in the Act, because the Soviet Union considered them to be contrary to the Peace Treaty it had signed with Finland in 1947.

The Right of Domicile

The right of domicile emerged as a legal concept in connection with the 1951 Autonomy Act, though the 1921 League of Nations decision already contained several of its elements. As currently constituted it covers the rights to stand for and vote in elections to the Åland Parliament, and to acquire real property and conduct business activities without special permission. Whoever enjoys the right of domicile, and moved to the Islands after the age of twelve, is exempted from military service.

A child acquires the right of domicile at birth, provided one of its parents possesses that right. Immigrants who have five years' residence in the Islands for five years and

satisfactory knowledge of Swedish can obtain the right of domicile by application. Anyone who forfeits Finnish citizenship, or moves his or her permanent residence from Åland, forfeits the right of domicile. The right of domicile does not constitute citizenship, but is rather a form of indigenous right accorded to persons who have decided to settle in the Islands. It is based on the Guarantee Act of 1922, and its inclusion in the 1951 Autonomy Act could be considered as compensation for the disappearance of the international guarantees.

The Language Provisions

The Åland autonomy is, as earlier stated, a cultural autonomy based on language; the fact that the residents speak a language different from that of the majority of the country. The people of the Islands therefore wanted to belong to another country where the language is Swedish, or as they put it, to "be reunited" with Sweden. The language provisions should be viewed in this perspective, and some of them could not have been acquired or implemented today, had it not been for the light of history, and the 1921 decision of the League of Nations. Finland is a bilingual country, but the only official language in the Åland Islands is Swedish.

The Governor - the Representative of the Finnish State

Already in the League of Nations decision it was determined that the Governor must "enjoy the confidence of the population". He or she is appointed by the President of Finland upon agreement with the Speaker of the Åland Parliament, or if agreement cannot be reached, the President must appoint one of five persons nominated by the Speaker. The fact that the Ålanders can influence Finland's choice of representative to the Islands usually arouses great interest in international forums. Recent Governors have even had a background in the Åland administration.

The Åland Delegation

The Åland Delegation can be described as an arbitrating /mediating body for settling disagreements between Finland and the Åland Islands. It has four members, two appointed by the Finnish Government and two by the Åland Parliament. The Governor acts as Chairman, and the fact that he or she is appointed after agreement between the State and the Speaker of the Parliament becomes important. The chairman represents the State, but is a person in whom the Åland authorities have confidence.

The Åland Delegation should resolve controversies arising in certain situations specified in the Autonomy Act, carry out economic equalisation, including determining the tax refund, and give extraordinary grants. Any decision to adopt an Act of Åland must be delivered to the Åland Delegation, who are to give their opinion before it is presented to the

President of Finland. Upon request, the Delegation is to give opinions to the Council of State, the ministries thereof, Government of Åland and courts of law.

The Åland Government - Landskapsstyrelsen

The fundamental principle of the Autonomy Act is that administrative power is to accompany legislative power. In the areas where the Åland Parliament has legislative competence, the Åland Government exercises administrative power. The Government is formed according to democratic principles; it must enjoy the confidence of the Åland Parliament. Administration is vested in the Government and governmental organs, and officials subordinate to them. The Government drafts and implements matters relating to the autonomy. It may consist of five to seven members, and exercises administration in all the spheres that, under the Autonomy Act, devolve on the Åland authorities instead of the State of Finland.

The Division of Legislative and Administrative Competence.

The present Autonomy Act of Åland came into force in 1993. This Act is of exceptionally high standing. It is not called a "Constitutional Act", but is legislated by the Parliament of Finland in the same order as the Constitution, and cannot be altered or repealed without the assent of the Åland Parliament. This legislative order, together with the autonomy's firm international basis already described, implies that Åland's autonomy has a very strong position constitutionally.

The division of legislative power between Finland and Åland is in principle exclusive, in the sense that a Finnish law is not in force in the Islands if Åland has legislative power on the matter, even if no Act has been enacted in the Islands, and hierarchically a law of Åland is not subordinate to an ordinary law of the Parliament of Finland. The special status that the Åland islands enjoy under international law implies that it is a question of division of legislative competence between the two parliaments, and not devolution of power by one to the other. the division of legislative power between the Parliament of Åland and that of Finland can be altered only by amending the Autonomy Act, by consistent decisions of the two Parliaments.

In areas where the State has the legislative power, the Administration underlies the State officials, and where the Parliament of Åland has the legislative power the administration underlies the Government of Åland. However, by agreement between the two goverments, functions belonging to either can be transferred to the other without amending the autonomy Act.

Legislative Supervision and Settlement of Disputes

A decision by the Åland Parliament on adoption of an Act shall be delivered to the Finnish Ministry of Justice and to the Åland Delegation, which should give its opinion to the Ministry before the decision is presented to the President of Finland. .He may impose a veto, after having obtained an opinion from the Supreme Court, but only if the Åland Parliament has exceeded its legislative competence, or if the law affects the external or internal security of the country. This has only occurred once. If annulment is not ordered within four months the law enters into force.

Åland's Presence outside the Islands

Åland has one of the 200 seats in the Finnish Parliament. The Åland Government appoints an official to deal with Åland-related matters at the Finnish Representation to the European Union in Brussels, and also maintains information offices in Helsinki and Stockholm, to assist in contacts and cooperation with the authorities of both countries.

INTERNATIONAL COOPERATION

The Nordic Council and Nordic Council of Ministers

The Nordic Council was created in 1952, as a forum where each nation's representatives could exchange opinions and experiences, and as a parliamentary forum for cooperation among the five independent Nordic countries. It has been a precursor for other international organisations when it comes to autonomous areas. These areas are not mere observers. Instead, their parliaments choose members of the Council on the same conditions as the sovereign states.

The Nordic Council of Ministers was established in 1971, to conduct cooperation at governmental level. The autonomous areas have the right to participate in its work. Decisions in the Nordic Council of Ministers are based on consensus, and are not binding on an autonomous area if the issue is within the legislative competence of its Government, and that Government has not given its consent. The approach is usually labelled "the right of consent".

Three Nordic countries – Denmark, Finland and Sweden – are members of the European Union, but. Iceland and Norway decided to remain outside it, as did the Faeroe Islands and Greenland. The Åland Islands decided to join the Union, but remain outside the tax-union. Nordic cooperation has naturally been affected by the differences in its members' relationships with the European Union.

The European Union

When Finland joined the European Union, Åland had the option of remaining outside (as did the Faeroe Islands, Greenland and the Isle of Man), in accordance with the Autonomy Act of Åland, by not giving its consent when the Accession Treaty was to be passed. Finland chose to assist the Islands in negotiating a solution that convinced the islanders that membership was acceptable. The result was a separate Protocol for the Åland Islands, making it a member of the customs union, but leaving it outside the tax union. The aim of this derogation was to maintain a viable local economy in the islands, i.e. the huge ferries operating between Finland and Sweden were allowed to retain their duty-free regime, and also provide the islands with a necessary transportation system.

National Symbols

National symbols are of great importance to small autonomous areas, as well as to newborn states, and they have therefore tended to provoke unnecessary tension from time to time. The President of Finland's right of veto, mentioned above, was exercised only once, namely when the Åland's first flag was being adopted. The design chosen was judged to resemble the Swedish flag too closely, and "would be likely to cause misunderstanding about the status of the region of Åland under constitutional law." A new design was proposed, and the law on an Åland flag was passed in 1954. The flag is a blue-yellow-red Nordic flag; it is used in Åland and on Åland's official buildings, and may also be flown on Åland vessels, including merchant ships, fishing and pleasure boats, and on comparable vessels based in the Åland Islands. After lengthy negotiations Åland first issued its s own postage stamps in 1984, and the postal administration was later - through the present Autonomy Act - transferred to the Åland authorities.

Ålanders hold Finnish passports, but since January 1993 the word "Åland" has been inserted in passports issued in the Islands to persons with the Right of Domicile.

Conclusion

I have had the privilege to participate in, and hopefully to contribute, to ongoing processes, conferences, seminars and research programs aiming at using the Åland autonomy as a model for others, but it should clearly be stated that it is not a model, and can never be simply repeated or copied.

The Åland question, as well as all other conflict situation is unique, albeit not as unique as some would claim. All conflicts have their own backgrounds, which are products of historical events. What autonomous areas do have in common is that they are all very different, but they would be wise to compare their similarities and differences. The Åland

Autonomy is an example worth studying and hopefully might be a source of inspiration for others.

As mentioned previously, the Åland Autonomy is said to constitute one of the most far-reaching international guarantees for a national minority ever to have been drawn up. The procedures adopted to permit change and evolution have for eighty years enabled the Ålanders to enjoy and to expand the Autonomy. There have over the years been tensions and difficulties, sometimes acute, but the system has functioned. The Åland Autonomy is under permanent transition.

The Right of Domicile enables the system to give some compensation to people willing to take up residence in the archipelago, and be integrated, thereby accepting some of the negative aspects related to being a minority. It is important to point out that it is not a citizenship, and the concept is not easily transferred to other minority groups.

The importance of having a system where conflicts can be pre-emted is the most important outcome of a conflict settlement, and there are many "Åland delegations" around the world, arbitral bodies with equal numbers of representatives appointed by both sides, in our case with the representative of the Finnish state as chairman, as he has the confidence of both sides.

The Åland islands became demilitarised in 1856 as a confidence-building measure, aimed at deterring the powers from building fortifications in the strategically important islands. Demilitarisation was combined with neutralisation in 1921, in a unique combination intended to ensure that no acts of war would ever take place in the islands. Different forms of military restrictions are often used in conflict areas by i.e. the United Nations or others, as well as different arrangements for ensuring inclusion of a minority in the surrounding community. The Åland autonomy is one of the ways to achieve this goal and having lasted for 85 years without being outdated is extraordinary, although always capable of being improved.

The Northern Territories Issue
Japanese-Russian Relations and Concerns in Japan

By Hiroshi Kimura

No Breakthrough between Putin and Koizumi

Junichiro Koizumi was Prime Minister of Japan for about five and a half years since April 2001, a year after Vladimir Putin became President of Russia. During his tenure Koizumi was unable to make any significant breakthroughs with regard to Japan's longstanding dispute with Russia over the Northern Territories (called Southern Kuriles by the Russians). Koizumi was requesting Russia to return the four disputed islands (Habomai group of islets, Shikotan, Kunashiri and Etorofu islands) to Japan, but Putin has only offered to handover to Japan the two smaller islands (Habomai and Shikotan). The gap between the positions of the two leaders on the Northern Territories issue was too large for compromise. Why did this gap become so wide? Many reasons may be pointed out, but one of the most significant is that the leaders of these two countries lack comprehensive, long-term strategies and policies toward each other.

In the political power configuration of the post-Cold War period, the antagonism based mainly upon ideological differences between Western and Eastern blocs has ceased to exist. Therefore, the Russian Federation, the major successor state of the former U.S.S.R., should now be able to get along well with Japan, which has been a close ally of the United States, the leader of the Western camp. The situations, however, are a bit more complicated. Instead of confrontation between the West and the East, what we currently have in the international arena is the emergence of almost an unipolar world, in which a single outstanding power, the United States, dominates world affairs. In such circumstances, it is natural that the United States has become the priority number one country for both Russia and Japan.

Putin's diplomacy revolves around the question of how to deal with the United States. In official Kremlin announcements, such as the President's annual address, it has often been stated that Moscow attaches paramount importance to "near abroad" countries (CIS members and the three Baltic states), West European countries, and "Eurasian" countries. In reality, however, it is undeniable that the United States is considered the most important country for Putin's Russia. It is only a slight exaggeration to say that the Kremlin sees countries other than the United States as important only as long as they can play a role, together with Russia, to challenge and balance U.S. dominance in the international arena. For instance, the Kremlin's policy of tilting toward China, India and other Asian countries

should be seen in this light, and not as a so-called "Eurasian" strategy directed against "Atlanticism."

Be that as it may, Japan does not stand very high in the priority list of Russian foreign policy. In Putin's past six annual addresses, for instance, among Asian countries Japan was mentioned only once, in 2004, while the importance of India and China has continued to be emphasized.

The image of Japan held by President Putin and his entourage in charge of foreign policy-making seems to have changed little from that of Soviet days. As a nation Japan is an economic giant but a military dwarf, a country with advanced science and technology, highly-developed managerial know-how and skills, but lacking natural resources, and remaining a faithful disciple of Washington. The Soviet Union/Russia might have needed Japan's economic aid and cooperation when its economy was in bad shape in the late period of Soviet rule and early years of transition to a market economy, but with the current high international energy prices, Putin and his aides no longer consider it necessary to call for economic assistance from Tokyo. The Kremlin under Putin has become self-confident, and occasionally even arrogant.

Obviously, the United States also headed Koizumi's priority list of Japanese foreign policy. Which country, after all, could and would stand together with Japan in an emergency or crisis caused by, for example, a North Korean missile attack on Japan? Only the United States, with which Japan has had an alliance relationship through Japan-US Security Treaties since 1951. With the clear purpose of ensuring maintenance of the close alliance with the United States, Koizumi sent Japanese Self-Defense Forces troops to Iraq. The People's Republic of China (PRC) does not have a high place among Japan's foreign-policy priorities, even though the volume of Japan's trade with China is greater than that of its trade with the U.S.A. In fact, Koizumi did not visit Beijing for five years, and his counterpart, Hu Jintao, did not visit Tokyo either.

In his conduct of international affairs, Koizumi tended to attach importance to his political performance rather than substance. For example, he visited Pyongyang twice, to meet Kim Jong Il and to bring back with him several Japanese who had been abducted by North Korea, events that greatly increased his popularity among Japanese. In contrast, Koizumi did not show much interest in improving Japan's relationship with Russia. He was well aware that the Kremlin leadership under Putin would make no diplomatic concessions concerning Japan's territorial demands, and that it was therefore useless for him to expend any effort in trying to meet Putin's positions on the territorial problem. Koizumi's indifference to this problem went to the extreme. Unlike all previous Japanese prime ministers, he did not attend – even twice, in 2005 and 2006 – the annual meetings held in Tokyo on "Northern Territories Day" (February 7).

Putin's Proposal of "Two Island Reversion"

During his first term as President (2000-2004), Vladimir Putin appeared to demonstrate a conciliatory stance towards Tokyo over the territorial disputes. In fact, the Putin administration specifically described the lack of an agreed border between the two countries as "regrettable". For example, during question time in the State Duma on March 13, 2002, Igor' Ivanov, then Russian Foreign Minister, said:

> As you are aware, we do not have a border that has been set by an internationally recognized treaty. With Tokyo we do not have a peace treaty, either. Therefore, these questions naturally constitute important parts of our negotiations with Japan….. We must acknowledge that the so-called problem of border demarcation is and will be an existing hindrance to development of full-blooded cooperation between Russia and Japan.[1]

In October of the same year, in talks with then Japanese Foreign Minister Yoriko Kawaguchi, Putin brought up the Northern Territories problem, borrowing his Foreign Minister's words:

> That problem remain from the past and that we do not have a peace treaty is truly sad and loathsome, indeed painful and regrettable. It is something that both countries need to work together to resolve.[2]

However, since the beginning of his second term of office (May 2004), Putin's stance toward the territorial dispute has radically changed. For example, in a television program on Sept. 27, 2005, he made an extraordinary statement about the Northern Territories. He stated: "Regarding the negotiation process with Japan over the four Kurile Islands, they are Russian sovereign territory and this is fixed in international law. This is one of the results of World War II. We have nothing to discuss on this particular point."[3] He made a similar statement less than two months later, on November 21, during his official visit to Tokyo. This position, running completely contrary to previous statements by Putin and prominent members of his administration, came as a great surprise to the Japanese, who wondered if this is really how Russia's top foreign policy maker thought about the issue. Three points lead us to conclude that he does.

---

[1] "Vystuplenie (13 marta, 2002g.) v Gosudarstvennoi dume v ramkakh《pravitel'stvennogo chasa》", Igol' Ivanov, *Vneshniaia politika Rossii v epokhu globalizatsii: stat'i vysctupleniia* (Moscow: Olma-press, 2002), pp.155, 157.

[2] Nihon Gaimushō Ohshūkyoku [the Department of Europe, Japanese Ministry of Foreign Affairs], *Nichiro Gaishō Kaidan* (The Meeting between the Japanese and the Russian Foreign Ministers) (October 12, 2002) (Resume) (2002. 10. 12.), p.6.

[3] Стенограмма «Прямой линии с Президентом России» 27 сентября 2005 года, Москва, Кремль *Президент России Официальный сайт* http://www.president.kremlin.ru/text/appears/2005/09/94308.shtml

First, his September 27 statement ignores international law, which does not recognize the four islands as Russian territory. No international treaties or agreements, including the Yalta Agreement, give credibility to Russia's claims to the islands. Second, Putin's statement emphasizes victory and defeat in World War II. This negates the position of the Allies during World War II, which advocated the "principle of non-territorial expansion." It also refutes the spirit and methods of the Yeltsin administration, which moved in a bold new direction, declaring that international relations in the post-war era must not be framed in terms of victorious and defeated nations, but must instead be based on "law and justice" (Georgii Kunadze, Russia's Deputy Foreign Minister at that time). The third notable point of Putin's September 2005 statement is the way he brooks no argument, abruptly dismissing the issue, a response reminiscent of Soviet Foreign Minister Gromyko, whose diplomatic style became known as "*nyet*" diplomacy.

In 2006 Putin continued to endorse this hard position concerning the territorial dispute. In a press conference on January 31, for instance, he replied to a question raised by a Moscow correspondent of the *Asahi Shimbun*:

> What I understood from our Japanese friends and partners was that they have made a realistic assessment of the situation and have begun building a new quality of relations with us. We have begun working together to find solutions to this (territorial) problem that would be acceptable to both Japan and to Russia and that would not undermine the international agreements reached in *Yalta, Potsdam and San Francisco*[4] (emphasis added).

On the following day, Katsuaki Katori, press-secretary of the Japanese Ministry of Foreign Affairs, responded by saying: "We do not accept the claim that the Yalta Agreement, in which Japan did not take part, has some legal binding force on Japan."[5]

Despite this counterargument from the Japanese side, Putin has repeated his proposal to conclude a peace treaty with the handover to Japan of only the two smaller islands. For instance, in his meeting with reporters of the news agencies of G-8 member countries on June 2, 2006, at Novo-Ogarevo, Putin said:

> Russia never considered that she should give any islands back. But during the negotiating process in 1956 we made a compromise with our Japanese colleagues and agreed to the well-known text that you mentioned just now. It is true that the declaration mentions giving Japan two islands but the declaration does not state under which conditions or under whose sovereignty. These are all questions that the

[4] Transcript of the Press Conference for the Russian and Foreign Media (January 31, 2006, Circular Hall, The Kremlin, Moscow), *President of Russia Official Web Portal Site*,
(in Russia) http://www.kremlin.ru/text/appears/2006/01/100848.shtml
(in English) http://www.kremlin.ru/eng/text/speeches/2006/01/31/0953_type82915type82917_100901.shtml
[5] *Hokkaido Shimbun*, 2006.2.1.

authors of the text left open. I draw your attention to the fact that the declaration was ratified by the Supreme Soviet of the USSR and the Parliament of Japan. However, as a matter of fact, Japan unilaterally refused to implement this declaration even though Japan had initiated signing this document.[6]

Have Putin's Tactics had an Impact on the Japanese?

Putin's proposal to end the territorial controversy by returning only the two smaller islands (the Habomai group of islets and Shikotan) to Japan has divided Japanese public opinion into three groups. Some Japanese support Putin's proposal, but the majority consider that all four islands must be returned. A third group calls for solution of the dispute through a "phased-return" approach, aiming at return of the two smaller islands first and the two larger ones later. This was a proposal advocated by Diet member Muneo Suzuki, and supported by a few officials in the Japanese Ministry of Foreign Affairs, including Kazuhiko Tõgõ and Masaru Satõ.

In April 2001 Foreign Minister Kawaguchi removed Tõgõ, Satõ and a few other officials of the Ministry from their posts on grounds of inappropriate meddling in the Ministry's policy-making, especially over the Northern Territories issue. Suzuki himself had to leave the Liberal Democratic Party and lost his Diet seat for a short time because of charges of bribery connected with construction of buildings on the disputed islands. After Suzuki's arrest, his proposed "phased-return" approach seemed to disappear for a while. Furthermore, after becoming Prime Minister, Junichiro Koizumi made his own position quite clear that agreement to conclude a peace treaty with Russia would only be forthcoming once all four islands reverted to Japanese sovereignty.

However, debate over whether it should be a "phased-return" or "simultaneous return of four islands" continued. One reason for this is the Putin' administration's recognition of the utility of Suzuki's "phased-return" approach. Even in 1956, when Japan's national strength was low compared to the Soviet Union's, Nikita Khrushchev was prepared to return Shikotan and Habomai to Japan. If Putin could resolve the problem by returning just those two islands (which are only seven percent of the disputed territories' land area), it would indeed be a cheap price for Russia to pay.

Putin's official visit to Japan in November 2005 was a disappointment for most Japanese, and engendered general pessimism about the prospect of regaining the lost

[6] Transcript of Meeting with the Leaders of the News Agencies of G8 Member Countries (June 2, 2006, Novo-Ogarevo), *President of Russia Official Web Portal Site*,
(in Russia) http://www.kremlin.ru/text/appears/2006/06/106430.shtml
(in English) http://www.kremlin.ru/eng/text/speeches/2006/06/02/1121_type82914type82917_106433.shtml

territories in the near future. This pessimism helped revive the "phased-return" approach. For example, Hiroshi Fujiwara, then mayor of Nemuro City, Hokkaido, facing the Habomais, wrote in *The Asahi Shimbun* (2006.6.29) "I wonder if it would be a useful, effective strategy to agree with President Putin's proposal of handing over to us the two islands and use it as a first step (*itoguchi*) in order to make a breakthrough in negotiations with Russia."[7]

Those who support the approach of "return of all four islands in their entirety" immediately rejected Fujiwara's proposal. For instance, Yuriko Koike, then Minister for Northern Territories Affairs in Koizumi's Cabinet, reiterated the cabinet's position, saying that "our stance that the *four* islands clearly come under Japanese sovereignty remains unchanged"[8] (emphasis added). She also added that Mr. Fujiwara's view was "nothing but an opinion of one individual."[9] Similarly, Governor of Hokkaido Harumi Takahashi stated "Hokkaido requests the Central government (Tokyo) to continue conducting diplomatic negotiations with Russia based on the policy of resolving the sovereignty question of *four* islands and thus concluding a peace treaty"[10] (emphasis added). She added "the final and official decision on this matter is after all to be made by the Central government that has in long years accumulated experience of dealing with Russia."[11]

Professor Shigeki Hakamada of Aoyama Gakuin University, Tokyo, a leading expert on Russo-Japanese relations, considers Fujiwara's view unrealistic. Professor Hakamada's argument is as follows. For Japan to actually get back two islands, it is necessary to conclude a peace treaty. However, once Japan agrees to sign a peace treaty, which Russia badly needs, Japan will definitely lose the means of getting the remaining two islands back. Even if a peace treaty includes a clause stating that both parties will continue to negotiate over the remaining two islands, Russia will have no incentive to do so, and would probably revert to tried-and-true delaying tactics, just going through the motions of continuing talks, and using Etorofu and Kunashiri as "hostages" to extract economic and other assistance from Japan.[12]

Therefore it is absolutely necessary, indeed indispensable, for Japan to make President Putin agree to include in the peace treaty a clear time frame for the return of the remaining two islands. But the inclusion of such a statement is, in fact, tantamount to the

---

[7] *Asahi Shimbun*, 2006.6.29.
[8] *Hokkaido Shimbun*, 2006.7.5.
[9] *Ibid.*, 2006.7.12.
[10] *Ibid.*, 2006.6.29 and 2006. 7.12.
[11] *Ibid.*, 2006.6.29.
[12] See for a similar argument, Hiroshi Kimura, "Politika Rossii v otnoshenii Iaponii: ego tseli i strategiia iz ust samogo Putina," *Kraevedcheskii biulleteny*, No. 2 (2001), p.132-9. For criticism of this piece, see "Kimura-san izvolili poshutit," *Pravda*, 2001. 1. 11.

Russians' agreeing to hand over all four islands. If that were possible, we wouldn't be having these problems. Back in the days of the Miyazawa Cabinet, it was suggested that if Russia recognized Japan's sovereignty over the four islands, Japan would respond flexibly over the time, mode, and conditions of their actual return. Russia refused to agree even to these generous major concessions on Japan's part. That is why territorial negotiations between Russia and Japan are at a standstill.

Thus, Hakamada concludes, those who advocate the "return of the two nearest islands as a first step," without keeping in mind the Putin administration's views and its interpretation of the 1956 Japan-Soviet Joint Declaration as outlined above, are closing their eyes to realities that are not to their liking.

There is, however, one important aspect of Fujiwara's argument that should not be overlooked: the background factors that motivated him to write such a piece. There is great disappointment, a sense of irritation, and despair among residents of the Nemuro area concerning prospects for a solution of the territorial dispute in the near future. After Stalin's troops occupied the Northern Islands, the Japanese inhabitants, numbering about 17,000, were expelled. Japanese who were forced to evacuate from Habomai and Shikotan settled in Nemuro, hoping that they could soon go back to the islands after a peace treaty or similar agreement was signed. However, more than 60 years have passed with few developments. More than half the returnees from the islands have died. Most of the returnees have been working in the fishing industry, but the de facto boundary line drawn between Japan and these islands has made the fishing grounds for the former islanders and their descendants very small.

It is understandable, in view of these background factors, that the former mayor of Nemuro made a bold proposal supporting a variation of the "phased-return" approach; his aim was to make the Central government more aware of the predicament of returnees living in Nemuro. Only two Japanese prime ministers have ever visited Nemuro, Zenko Suzuki in 1981 and Junichiro Koizumi in 2004. One reason for this is that the local people harbor excessive expectations. The fishing community and other residents fervently petition visitors to institute policies or commit to spending to support regional development. Wary of this, powerful politicians have mostly opted to stay away.

It is one thing for us to feel great sympathy for local residents, but quite another to assess Fujiwara's statement, which is wrong in assuming that Russia would seriously negotiate with Japan after it achieved its goal of signing a peace treaty, thereby removing Tokyo's biggest bargaining chip. Besides, Fujiwara's announcement sent the Kremlin an incorrect message, that Japanese public opinion concerning the territorial dispute was seriously divided. Fujiwara should have seriously considered the political consequences his remarks might have.

Pitfall of the "Free Trade Zone"

The Nemuro municipal government has made another bold proposal, to create a so-called "Free Trade Zone" between the Nemuro area and the Russian-occupied Northern Territories. To be precise, it was a proposal made by the "Liaison Council for Cities and Towns within the jurisdiction of Nemuro for Policies to Promote the Area in and around the Northern Territories", created by the Nemuro municipal government. The council made this idea public in its document "Reconstruction Initiative Aimed at Resolving the Northern Territories Issue" (February 2006),[13] copies of which it delivered to the Japanese Ministry of Foreign Affairs and Cabinet Office[14]. I agree with 99 percent of what is in the "Initiative," but one proposal I find totally unacceptable, that is to make the four Northern islands and Nemuro region a Free Trade Zone between Russia and Japan. Let me explain.

Actually, a general Soviet/Russian proposal to make the four islands and surrounding area a joint economic development zone has been around ever since Gorbachev's time. Its most enthusiastic supporters were Evgenii Primakov (former Foreign Minister and Prime Minister, now President of the Russian Chamber of Commerce and Industry) and Alexander Panov, former ambassador to Japan.

There is one thing that the Japanese side must never forget when the Russians propose such a joint economic development – namely that sovereignty over the four islands would clearly remain with Russia. That is the major underlying premise for them. Based on this, they propose that the two countries jointly conduct economic activities in the Northern Territories and the adjoining areas. Using conciliatory language, they appeal to Japan to "shelve the sovereignty issue and at least cooperate economically. That would create an atmosphere conducive to resolving territorial issues." At first glance this looks an attractive proposition, and sounds hard to resist, especially for the Nemuro area, which has been hard hit by economic recession.

But "shelving the sovereignty issue" means, at the very least, that Japan acknowledges that the status quo will remain unchanged for the time being. It is tantamount to acknowledging that joint economic development equals recognition of Russian sovereignty. As I explained earlier, the "return of the two smaller islands as a first step" argument is equivalent to the return of only those two islands, nothing more and nothing less. The logic in both cases is roughly the same. The free trade zone that the Nemuro

[13] Liaison Council for Cities and Towns within the Jurisdiction of Nemuro for Policies to Promote the Area in and around the Northern Territories, "Hoppō-ryōdo Mondai no Kaiketsu ni muketa Torikumi" (Reconstruction Initiative Aimed at Resolving the Northern Territories Issue) (February 2006), p. 14.
[14] Hokkadido Shimbun March 7 and 13, 2006.

Council is proposing is merely a variation on Primakov's joint economic development proposal.

In the event that some sort of trouble occurred in the free trade zone, which country would have jurisdiction – Russia or Japan? The Japanese government would probably argue that it cannot recognize an investigation or trial conducted by Russia in the Northern Territories, which are inherently Japanese territory[15]. But the Russians would undoubtedly maintain that jurisdiction belongs to Russia, because the "Southern Kuriles" are now under Russian control. Just how much does it matter whose jurisdiction it is? The firing on and seizure of a Japanese fishing vessel by Russian border guards in the summer of 2006 has made it all too clear that Russia sees de facto control as all-important.

When that tragedy occurred, Chikahito Harada, the director-general of the Foreign Ministry's European Affairs Bureau, called in Mikhail Galuzin, the acting Russian ambassador to Japan, and protested that "firing at and seizure of a fishing vessel within the territorial waters of the four northern islands, which are inherently Japanese territory, is totally unacceptable"[16]. But the Russians have a counterargument, namely, that the four islands are "under Russian sovereignty as a result of the outcome of World War II" (President Putin, September 27, 2005).

The Japanese government may claim that the four Northern islands are inherently Japanese territory, but unfortunately must recognize the sad fact that Russia retains effective control over them. That is why it has directed Japanese fishing vessels not to cross the median line halfway between the islands and Hokkaido or to operate around the islands. But some Japanese fishermen apparently do not listen to their government. Large schools of fish gather in the seas off the four islands to feed on the plankton produced by the intermingling of the Japan Current and Kuril Current. The area is said to be one of the world's four best fishing grounds. "What's wrong with fishing there?" some fishermen in the Nemuro region wonder. "After all, we were the ones who discovered and opened up these fishing grounds." This attitude helps to explain why it has been impossible to eradicate poaching in these waters. Between 1994 and 2005 the Russians detained 30 Japanese fishing vessels, arrested 210 crew members, and injured seven, though the August 2006 incident marked the first time anyone has been killed.

Because a Russian border guard shot and killed a Japanese crew member, jurisdiction over the captain of *No. 31 Kisshin Maru* and the border guard ought to belong to both countries. In fact, however, the Russians will be trying the Japanese captain, but do

[15] *Yomiuri Shimbun*, 2006.8.18.
[16] *Hokkaido Shimbun* (evening edition), August 16, 2006.

not recognize Japan's right to try the Russian guard. Not only that, they do not even recognize Japan's right to participate in the Japanese captain's trial. This is totally unfair.

If a free trade zone were formally initiated, would unfair dealings of this kind be rectified? Since jurisdiction is an important part of sovereignty, there is little reason to expect so. Quite the opposite; if a "Free Trade Zone" were formally inaugurated, there is even a danger that unfair measures such as those just mentioned would be regarded as the rule and institutionalized. If the "Nemuro Council" truly believes the recent shooting incident was regrettable, and regards respect for the human rights and lives of Nemuro fishermen as important, it is only logical that it should withdraw its "Free Trade Zone" proposal mistakenly included in its "Reconstruction Initiative."

Future Prospects

What then are the future prospects for Russo-Japanese relations? More specifically, will bilateral relations proceed smoothly without solution of the territorial dispute and hence without conclusion of a peace treaty? Konstantin Kosachev, chairman of the State Duma Committee for Foreign Affairs, sounds to be replying "Yes, they will." In a press conference on the G-8 Summit on July 18, 2006, when he was asked what efforts the Duma has made to resolve the Northern Territories problem, he said: "This [the Northern Territories problem] certainly is not an urgent problem … I am absolutely convinced that time works for Russia, not Japan."[17] This statement consists of two bold propositions: (1) solution of the territorial disputes is not an urgent issue and (2) time works for Russia. I personally consider that he may be right about the first, but wrong about the second. Let me explain why.

In his statement Kosachev intentionally or unintentionally ignored serious problems that Russia is facing now and must face in the near future, for example, in the fields of economic, demographic and diplomatic affairs. Economically, Russia now may be in good shape due to unprecedented rises in the international oil price. If the oil price goes down, however, what would happen to Russia's economy, in which 57 percent of total export income comes from sales of energy resources? Besides, abundance of energy resources does not constitute a 100 percent blessing. It may tend, for instance, to engender complacency or neglect of the need for economic reform. It may even be accompanied by the danger of so-called "Dutch disease" or "resources curse" defects.

[17] "Press Conference on G8 Summit with Konstantin Kosachev, chair of the State Duma Committee for Foreign Affairs, Yedinay Rossiya Information Center, July 18, 2006. Source: www.fednews.ru. Cited from *David Johnson Russia List* (20 July, 2006) 2006#164, #25.

Demographic situations have already become a serious problem in Russia, which has been losing approximately 435,000 of its population every year.[18] In marked contrast, the Chinese population has been increasing, despite the government's official policy of only one child per family. The population gap between Russia and China is particularly remarkable in Russia's Far East region: about 6.5 million residents in the Russian Far East live next to 130 million Chinese in China's North Eastern region. Some advocate that Russia adopt a strictly controlled policy of immigration of cheap Chinese labor into the Russian Far East. I am afraid, however, that they tend to miss the important point, because the crucial problem there is, as Fiona Hill and Clifford Gaddy pointed out, "not that the region is underpopulated, but that it is now overpopulated."[19] Now that military-related industries in Siberia and the Far East have gone into decline, there are insufficient job opportunities to support the local population, who are forced to consider moving to the west or south of the country. This is the core of the problem.

If Hill's and Gaddy's observations are correct, merely attracting labor from China or Central Asia will not solve the problem facing Siberia and the Far East. New industries would create employment opportunities, but such industries cannot be created and run without injections of money, infrastructure, technological know-how and management skill. The country most capable of carrying this out on a large scale and quickly is Japan. Dmitrii Trenin, Deputy Director of the Carnegie Moscow Center, wrote:

> In my opinion Russia ought to rely on Japan as its main partner in modernizing Siberia and the Far East. Japan would be capable of playing the same kind of role in these regions as Germany and the EU played in Russia's western regions. Japan's financial capabilities, technological leadership and geopolitical location all make it an ideal "partner for modernization for Russia in the East." If Russia develops this sort of partnership with Japan, it would similarly enhance Russia's position in Asia in general.[20]

For these and other reasons, in the long run it will be simply a matter of time before Russia needs Japan. It may be true, as some Russians argue, that only when it becomes necessary will Russia start to think seriously about the pros and cons of possible return of the four islands to Japan. This seems to be a convincing argument, but it may be too late then. By then Japanese public opinion may have become cool, pleased to have the territories back, but not greatly appreciative after such a long wait. More importantly, in the meantime Russia will not get what otherwise she could have obtained. In contrast, China

---

[18] *Rossiiskii statisticheskii Eezherodnik 2005,* Table 4.1, p.81.
[19] Fiona Hill and Cliford G. Gaddy, *The Siberian Curse: How Communist Planners Left Russia Out in the Cold* (Washington, D.C.: Brookings Institutiton Press, 2003), pp.200-01.
[20] *Nezavisimaia Gazeta*, 2003.10.27.

has benefited a great deal from the full normalization of diplomatic relations with Japan that followed conclusion of a peace treaty in 1978. For instance, the PRC has been one of the top beneficiaries of Japan's ODA program, and is currently Japan's number-one trading partner. China's remarkable economic development would not have been possible without close economic relations with Japan, although Japan is also greatly indebted to China for its recent recovery from economic recession.

Applicability of "the Åland Inspiration"

If one tries to apply the so-called "Åland experience" between Sweden and Finland to the Northern Territories disputes between Russia and Japan, what can we say?[21] If one automatically applies the former way of the settlement of the territorial issue to the latter case, one must acknowledge the following results:

(1) Japan is granted sovereignty over the Northern Territories;
(2) Japan is placed under an obligation to guarantee the Russian inhabitants preservation of their language, culture, and customs;
(3) Japan must also guarantee the Russian islanders cultural autonomy and self-government in all except matters relating to diplomacy and military affairs;
(4) The Northern Territories become a demilitarized and neutralized zone, to ensure that they never become a source of military threat to Russia.

It is my personal conviction that the Tokyo government's recent proposal to Moscow, regarding the Northern Territories dispute has many things in common with the specific contents of the Åland solution. Of course, we cannot detect any signs that the Tokyo government has ever studied the Åland solution for the purpose of picking up some valuable lessons for solving the Russo-Japanese territorial dispute. Yet duplications between these two territorial problems seem to me to exist. Let me explain why I consider that the Tokyo government has been *virtually* practicing the Åland method for solving Japan's territorial dispute with Russia.

Since Mikhail Gorbachev began to implement his *perestroika* policy the Tokyo government started to soften its approach to the Northern Territories problem. To be sure, when it comes to the number of islands whose return it demands, nothing has changed – they are still always four. Here the Tokyo government has remained inflexible, because it has already made large concessions to the Soviet Union/Russia by giving up demands for the return of Southern Sakhalin and the Northern and Central Kuril islands. The Tokyo

[21] In order to deal with this question I am greatly indebted to my participation in the international conference held at Mariehamn/Åland on August 18-20, 2006, as well as the following excellent article: Kimie Hara, "From Bilateralism to Multilateralism: Åland Settlement as a Model for the 'Northern Territories' Problem?"

government has stated, however, that if Russia acknowledges Japan's sovereignty over the four Northern islands, it would take a flexible attitude concerning other matters.

For instance, during the Miyazawa administration, Prime Minister Miyazawa and Foreign Minister Michio Watanabe officially declared that provided Moscow recognized Japan's sovereignty over all four disputed islands, Japan would accept a de facto "two-stage formula (*nidankai henkan ron*)" for solving the issue[22]: the return of two islands first, and of the other two later. In April 1992 Watanabe went so far as to remark: "If Russia acknowledges Japan's sovereignty over the four islands, Tokyo may allow Moscow to continue governing the islands of Kunashiri and Etorofu for a certain period after the other two (Shikotan and the Habomai islet-group) are returned."[23] Endorsing Watanabe's remark, Kōichi Katō, chief cabinet secretary under Miyazawa, stated: "As long as Moscow confirms Japanese sovereignty over all four of the disputed islands, Tokyo will be flexible over the timing, modalities and conditions of the (actual) return of the islands."[24]

Another Prime Minister, Ryūtaro Hashimoto, made at Kawana in 1998 a significantly new proposal to Russian President Boris Yeltsin concerning a peace treaty. Although both leaders declined to reveal the proposal's contents, press reports after the summit made it clear that it involved the following:

(1) the boundary line between Russia and Japan would be drawn north of the four disputed islands, namely, between Urup and Etorofu, which would amount to recognizing Japanese sovereignty over the four islands;
(2) Japan would acknowledge that Russia should continue to exercise transitional administrative rights over the islands for a specified period;
(3) even after a peace treaty was concluded, Japan would not immediately seek the return of Habomai and Shikotan, even though the 1956 Japanese-Soviet Joint Declaration stated that they would be handed over to Japan upon the signing of a peace treaty;
(4) the actual timing of the transfer of the four islands should be decided by the next generation[25] ; and
(5) during this transitional period, Japan and Russia would work out a procedure for transferring the islands, and would resolve other related issues while running joint economic activities on the islands[26].

---

[22] M. K. Gorshkov and V. V. Zhuravlev, ed., *Kurily: Ostrova v okeane problem* (Moscow: ROSSPEN, 1998), p.330.
[23] *Japan Times*, 1992.4.22.
[24] *Ibid*.
[25] *Yomiuri Shimbun*, 1999.2.26 and 27.
[26] *Nezavisimaia gazeta*, 1998.4.2; *Yomiuri Shimbun*, 1999.2.26 and 27.

The concessions made by the Miyazawa and Hashimoto administrations contain two sets of elements. First are those that have nothing in common with the contents of the Åland experience. For example, it might be very difficult for the Japanese government to approve Russian as the sole official language used on the islands. Swedish is one of the two official languages of Finland, and the Finnish and Swedish cultures have much in common, whereas the Japanese culture, including language, differs greatly from that of Russia.

On the other hand, the above-mentioned proposals contain elements that have something in common with the Åland settlement. For example, in the proposal made by Messrs Kato and Hashimoto there are much larger and bolder concessions compared with the Åland settlement. For instance, they proposed that the Tokyo government would take a flexible approach concerning "the timing, modalities and conditions" of the actual return of the four islands. Hashimoto's "secret" proposal went so far as to say that "the actual timing of the transfer of the islands should be decided by the next generation" and "during this transition period, Russia should continue to exercise transitional administrative rights over the islands for a specific period."

Furthermore, some ideas from the Åland experience could possibly be applied to the Northern Territories question, for instance, the idea of demilitarization. To be sure, sovereignty by definition means that a nation or a state endowed with it can do anything whatsoever without constraint. Japan may militarize the returned islands or let U.S. military forces use them. In a word, Japan would have complete freedom to militarize the recovered islands, or to demilitarize them, like the Åland, to ensure they never become a military threat to Russia.

My personal view is that Hashimoto's secret proposal to Yeltsin involved excessive concessions, made arbitrarily by him without prior consultation with the Japanese electorate. Apart from my personal criticism, the Tokyo government has made a series of concessions, including Hashimoto's, to prevent the territorial dispute becoming a zero-sum game. On the other hand, it is also a fact that the Russian side has not moved at all from the "return of only two islands" formula. Which side should draw lessons from the Åland inspiration? The answer seems crystal clear to me.

The Territorial Dispute between Japan and Russia
The "Two Island Solution" and Prospects
For Putin's Last Years as President

By Konstantin Sarkisov

From the "two-island solution" idea to a new stalemate

It was a surprise when Vladimir Putin de facto offered Japan the "two-island" solution. He did so at the end of 2004, as the highest point of Putin-era efforts to solve the problem, but it was, alas, followed by the current stalemate. Despite all speculation about a third-term scenario, Putin quits the Presidency at the beginning of 2008. So 2007 will be his last year for making something happen in the saga of territorial dispute.

To explore what may happen, one must follow the logic of Putin's policy towards Japan, and then draw a conclusion. In 2000, on his first official trip to Japan, Putin for the first time put forward the idea that a two-island solution is a fair and even acceptable formula for resolving the long-standing dispute between Russia and Japan. By "acceptable" I mean first and foremost one that Putin was confident could overcome the resistance, sometimes furious, from the Russian nationalists and "gosudarstvenniki". And there would be some kudos to him, as a "gosudarstvennik"[1], in becoming the second to Khrushchev Russian head of state ("gosudarstvo") ready by his free will to yield some territory.

In Russian (Soviet) history there had been previous cases of yielding territories. However, these were done under huge pressure or severe circumstances. Alaska was sold to the Americans since Russia could not afford to retain it due to the very long distance, the Kuril Islands were exchanged for Sakhalin in 1875 for benefit of Russians, Southern Sakhalin was lost by war in 1905, in 1918 at Brest-Litovsk Lenin yielded much of the Russian Empire to the Germans for tactical reasons, to keep alive the new Soviet republic, when it was very weak and could easily be overrun by German troops. In 1923 the Bolsheviks tried to sell Northern Sakhalin to Japan. In 1992 a Russian newspaper published the minutes of a Politburo discussion of the matter, in which both Stalin and Trotsky took part. It was agreed that during the negotiations in Peking between Ioffe and Goto (for the treaty signed in 1925 establishing relations between the USSR and Japan) the selling price should be "at least one billion {rubles}".[2] Yeltsin yielded Crimea to

[1] "Putin is a gosudarstvennik--a believer in a strong state", *Time*, The needs of many, Sept. 4, 2000

[2] «ПРОТОКОЛ № 1 ЗАСЕДАНИЯ ПОЛИТБЮРО ЦК РКП от 3 мая 1923 года
Присутствовали: члены Политбюро т.т. Зиновьев, Каменев, Сталин, Томский, Троцкий....Политбюро не возражает против дальнейшего ведения переговоров в направлении продажи о. Сахалина, причем сумму в миллиард считать минимальной... Сумма должна быть

Ukraine after the dissolution of the USSR, as the peninsula legally became a part of newly independent Ukraine.

So, taking into account Russian (Soviet) historical tradition, it was quite a challenge for Putin to have a deal on territories. In this sense, he was different from his predecessors, in trying to make some concessions in peacetime, and not for money.

At the same time, like his predecessors he also wanted to get something in return. It is always very important to figure out the incentives impelling a politician to make concessions, particularly as in this case the issue was very sensitive, and no one before Putin had the stomach to address it with clear-cut willingness to yield something.

It is difficult to judge this matter, because much important information is still closed to researchers. However some leaks, mainly from Japanese sources, plus my personal contacts, help me to make some observations.

The Incentives may be arranged into three main groups – China, Japanese money/technology, and personal matters.

The *Chinese factor* seemed very compelling in 2000. Putin was striving for Russia to become a member of Europe, a common house for Europeans. Growing up in Saint Petersburg and working in Europe he was apparently a Europe-centrist, and Asia did not much attract him. Besides, China at that time was seen as posing the main long-term potential threat to Russia. It is quite conceivable that Putin's move toward Europe was a reaction to a potential threat from the East.

The factor of *Japanese money/technology through investment was also very attractive,* for modernizing the Russian Far East, a region with a very small and declining population, and helping to create improved infrastructure there, during a period when Russia suffered shortage of money and abundance of debts.

The *personal matters* factor had its own impact. Putin's political philosophy, his inclination to abide by law ("dictatorship of law") and his usual remarks like "as a lawyer, I think…" – also worked. In this sense his KGB education gave him a good sense of the importance of international law. So he could understand far better than his predecessors that the 1956 Joint Declaration, determining that the two islands must be returned to Japan, is obligatory, since it was ratified by both parliaments and became law. He has argued this several times in private conversations. It is also widely known that he

---

внесена или вся или в размере 9/10 ее наличными". Moskovskii Komsomolets, 31 July 1992; See also: Rediscovering Russia in Asia: Siberia and the Russian Far East. Stephen Kotkin, David Wolff, editors. M.E. Sharpe, 1995, p. 65

has an attraction towards Japan; he practices judo, and his second daughter is studying Japanese at St. Petersburg State University, not the Chinese she learned at high school.

In his attempt to solve the problem by the two-island formula, Putin had a responsive Japanese counterpart, Prime Minister Yoshiro Mori, who reacted positively and seemed also to be thinking in terms of a compromise over the islands. Such a compromise was not easy for Japanese Prime Ministers either. The last one was Ichiro Hatoyama in the mid-1950s. His Minister for Foreign Affairs, Mamoru Shigemitsu, was completely set to have a deal on two-island formula, but John Foster Dulles blackmailed him and destroyed his plan. This intrigue around the two-island deal and the reasons why the Americans destroyed it can be found in new documents published by Professor Izumikawa, and in forthcoming books by Dr Hara and Professor Kimura.[3]

Then in 1960, following huge demonstrations against the revised Japan-U.S. Mutual Defense treaty, the Soviet side stated that "under the new circumstances" it did not regard itself as legally bound to return the two islands. However, just before his dismissal from the General Secretaryship of the Soviet Communist Party (CPSU) Khrushchev told a Japanese delegation that the two islands might be returned even before signing a peace treaty, provided that the Americans returned Okinawa to Japan.

Khrushchev's successors, who presided over the very rigid and conservative regime of the "stagnation" (zastoi) period, were not at all enthusiastic about making any territorial concessions. However, in 1971, following the "Nixon shock" of the US President's visit to Beijing, Japanese Prime Minister Tanaka rushed to the Chinese capital to sign a Treaty of Peace and Friendship. To reduce the incentives for Japan to join a potential anti-Soviet alignment with the USA and China, the Brezhnev regime began weighing the two-island option again. In 1972 Foreign Minister Gromyko came to Tokyo and informally sounded out the possibility of a deal. The Japanese initially praised him for flexibility, but later, as usual, declined the two-island proposal as unacceptable.

In 1973, when Prime Minister Tanaka came to Moscow, rumors spread about his willingness to reach a compromise, though not necessarily by accepting just the two-island formula. However, this time it was the Soviet side that appeared indifferent to any idea of a compromise. Ivan Kovalenko, the official in charge of relations with Japan for the CPSU Central Committee, told me privately that he tried to persuade his superior, Boris Ponomarev, to reconsider the two-island formula, but "he didn't want even to listen."

[3] Japan Association of International Politics publication "International Politics" No. 114, 2006.02, p. 130-
In Japanese 日本国際政治学会編「国際政治」第 114 号「国際政治研究の先端　3」(二〇〇六年二月)
日ソ国交回復交渉をめぐる日本の自主外交模索とアメリカの対日戦略

Before Gorbachev went to Tokyo as first and last Soviet president, two groups were formed to prepare documents and suggestions for the key issue of territories, one in the CPSU Central Committee (of which I was a member), the other in the Ministry of Foreign Affairs. I remember that both groups reported at a meeting, chaired by Vice-President Yanayev, that the two-island formula seemed the best option. But in the end Gorbachev didn't accept it. He said in Tokyo that the promise of two islands had been "removed by history."

Yeltsin had no clear strategy on the question. As a political actor, he was something of a gambler; when engaged in a game he didn't exactly know how to win, he would hope during the game to get a lucky card. Actually he didn't want to lose any territory, and hoped to win the game without giving any up. His "five-stage resolution" plan was an expression of that. All the controversial aspects of his statements and behavior can be explained by his lack of a clear vision on the matter.

Putin did have a clear vision on how to solve the problem, but it was the "two-island return", a formula by definition unacceptable to the Japanese. So at that time the focus of the problem drifted to finding "alpha" – something that being added to "two islands" might become a "mutually acceptable" and therefore productive formula.

That was a time of intense behind-the-scenes diplomacy, when the leading role was given to Muneo Suzuki, a special envoy of Prime Minister Yoshiro Mori. The behind-the-scenes story of those days is described in his latest publication, in the form of a dialogue with Masaru Sato, another hero of these events.[4]

That was a time when both sides came to a crucial moment, and when a compromise looked most probable than at anytime before. In November 2001 at Irkutsk Putin and Mori agreed to divide the problem into two parts – Habomai-Shikotan and Kunashir-Iturup islands - and negotiate them simultaneously but separately (parallel negotiations). According to Japanese sources, that concept was confirmed by Russian Foreign Minister Ivanov during his visit to Tokyo in February 2002.[5] However, agreement on "two and two" separate negotiations has been never confirmed by any published official document. On Ivanov's visit in February 2002 the Japanese Foreign Ministry issued only a laconic statement, that:

[4] Suzuki Muneo, Sato Masaru, Hoppo ryodo. Tokumei koushou (Northern territories. Negotiations in a special mission), Kodansha, 2006

[5] Asahi Shimbun, April 14, 2002

> …both sides would continue to vigorously engage in peace treaty negotiations…both sides would observe all agreements made to date…it was agreed to hold Vice-Ministerial Consultations in Moscow in mid-March.[6]

Judging by the vague wording, one may conclude that efforts to find out an acceptable "alpha" were not productive. Practically speaking, the "alpha" was an idea to sign a peace treaty on 1956 Joint Declaration conditions, adding something like "both sides agree to continue negotiations on the other two islands". The Japanese seemingly tried to make this legally obligatory, the Russians tried to avoid giving the impression that the peace treaty did not fix the national borders but just postponed a decision on them.

The failure to find an acceptable "alpha" turned into a crisis. On April 3, 2002, Yuriko Kawaguchi, minister of foreign affairs in Koizumi's cabinet, announced punishments for 34 officials in her ministry for "mishandling" or "meddling" in relations with Russia. Among them was Kazuhiko Togo, Ambassador to the Netherlands.

We can only speculate about the reasons. There is a clue in the fact that during Mori's Prime Ministership two confronting sides appeared on and behind the political scene. The first was associated with Muneo Suzuki, a parliamentarian, who pushed like a bulldozer for a compromise. and the second identified with Ichiro Suetsugu, head of Anpoken, an influential "kuromaku", who vehemently opposed the idea of two plus two or two plus alpha solutions, believing them to be a trap. Koizumi, having Mori on his back, tried to balance, but finally decided to side with the skeptics.

After this "purge" of pro-compromise persons in the Japanese Foreign Ministry (MFA), the Russian side reacted nervously. Ten days later Russian Foreign Minister Ivanov made a statement in the Duma, denying that there had been any agreement to conduct "parallel negotiations", which he described as a "one-sided Japanese notion."

The ensuing arrests of two key figures in the pro-compromise group, Muneo Suzuki and Masaru Sato, a former Foreign Ministry official, was perceived in Moscow as solid proof that Koizumi did not really intend to seek a compromise. Finding a compromise requires taking a risk, and after the severe punishment of those who had done so no-one was prepared to risk the same fate by following their example.

Contacts at the highest level did not improve matters. When Putin met Koizumi at the Sea Island Summit in June 2004, the brief and carefully-worded summary of

[6] Japan-Russian Federation Foreign Ministers' Meeting (Outline of Results) February 2, 2002, http://www.mofa.go.jp/region/europe/russia/fmv0202/outline.html

proceedings, made by the MOFA, nevertheless revealed a huge gap between the two sides on the territorial matter.

> Prime Minister Koizumi further emphasized the significance of constructing a strategic partnership underpinned by sincere relations of trust which would be engendered by complete normalization of Japan-Russia relations by concluding a peace treaty through resolution of the issue of attribution of the Four Northern Islands. President Putin in response commented that Japan-Russia relations hold strategic significance to Russia and he valued such ties.

The Russian side made no reference at all to the "issue of attribution of the Four Northern Islands". This was a new impasse. However, at the end of 2004, a statement by Foreign Minister Lavrov, later endorsed by Putin, made it clear that Russia intended to fulfill its obligation under the 1956 Joint Declaration. This might seem a breakthrough, but on the contrary, it signaled willingness to return only two islands and that there would be no "alpha".

In an interview, Chairman of the Duma's Foreign Relations Committee Kosachev articulated the Kremlin's position thus. "…the Japanese consider that it (the 1956 Joint Declaration) means consent to hand over the Habomai islands and Shikotan, and therefore they have just to squeeze out the remaining two, Moscow's position is that it is ready to hand over two islands only after signing the peace treaty, and in the treaty it should be stated that neither side has any territorial claims"[7]

The next year, 2005, was the 150th anniversary of signature of the Treaty of Shimoda, the first between Japan and Russia. Putin was due to come to the memorial meeting at Shimoda, but Koizumi was alone during the ceremony, and a message from Putin was read by Ambassador Losyukov. This message included a hint about why the current impasse had occurred. Praising the significance of the treaty signed a century and half ago, Putin remarked significantly that "…negotiations for signing the treaty ended successfully just because of the patience, goodwill and striving for compromise by both sides". This could be perceived as a new signal for a "mutually acceptable" compromise.

But the clue was the compromise itself, its content. No progress was seen at all. When Putin very reluctantly came to Japan at the end of 2005 his visit was commented on in Japan as absolutely "non-productive" as a contribution to resolving the territories issue. But Putin's own comments on his visit appeared more optimistic.

> As I understand our Japanese friends and partners, having realized the reality, they have entered into relations of a new quality with us. And we together have begun to

[7] Interview to ITAR-TASS, November 15, 2004

> seek ways of solving the problem, acceptable to both the Japanese and the Russian side without undermining the international agreements reached at Yalta, Potsdam and San Francisco. And given goodwill from both sides I am sure we will find such a solution. Russia will strive to find such a solution by respecting Japanese interests and, of course, being guided by its own national interests[8]

How can Putin's optimism be assessed, is it real or just a diplomatic gesture? The key word is "goodwill". Does "goodwill" mean the Japanese should agree that only the "two-island formula" is realistic, or does "respecting Japanese interests" mean that Russia is prepared to consider "plus alpha" as well? Or it is all just a game?

"Goodwill" is a central notion of Putin's policy towards the territorial dispute. At a press conference on September 5, 2000, during his first visit to Japan, he stated "The problem is not in dates, but in goodwill for solving the complex problems we inherited."[9]

During the period 2005-2006 Putin sometimes defied not just optimism or goodwill, but also common sense, with utterances such as "as for international law, there were no territorial obligations towards Japan on the Russian side", or "the 1956 Joint Declaration actually determined the handing over of two islands, but failed to determine the conditions of it, and to whom these islands should be handed over".

This latter sounded particularly embarrassing. It was so awkward, to say the least, that I am full of hope it was tactical rather than strategic. And the passage of time showed that Putin still abided by the idea of a compromise. On September 9, 2006, when during discussions with some political scientists (the "Valdai group") he was asked about relations with Japan in very general terms, he himself initiated a discussion of the territorial issue and elaborated considerably. This was the most positive and detailed expression of his desire to solve the problem.

> We are eager to settle all disputes with Japan, including those of a territorial nature. We don't want to preserve them. We sincerely want to solve them on conditions acceptable for both Russia and Japan. We must seek a way out together… the

[8] «я так понял наших японских друзей и партнеров, что они, оценив реалии, вступили с нами в новое качество отношений. И мы вместе начали искать пути разрешения проблемы, приемлемые как для японской, так и для российской стороны, не подрывая международных договоренностей в Ялте, в Потсдаме и в Сан-Франциско. И при доброй воле с обеих сторон, уверен, мы такое решение найдем. Россия будет стремиться к поиску такого решения – при уважении японских интересов и, разумеется, руководствуясь своими национальными интересами» .

[9] "дело не в сроках, а в доброй воле решать сложные проблемы, которые достались нам в наследство."

search for this solution has begun. It will not be easy and will not be quick, but it is possible[10].

When questioned about the Shanghai Cooperation Organization he again focused on the territorial dispute with Japan, dropping the unprecedented hint that the dispute should be solved as it was in relations with China.

> We conducted negotiations about the border with China -40 years – starting from Soviet times… and ended this work two years ago by signing the final documents for regulating border questions… incidentally, this prompts us to think that with Japan we can too resolve problems, however difficult they seemed. Because in the case of the Chinese People's Republic we took steps toward each other and undertook mutual compromises, acceptable to the Chinese as well as to us, and that's because each side really wanted to close this page in our relations and create a basis for long-term good-neighborly relations – and we did it.[11]

Putin did not specify exactly what he meant. However, an important element of the Sino-Russian border settlement was that a potential dispute over the status of three islands in rivers along the border was resolved by agreeing to divide them equally. It is quite possible that these remarks, closely studied in Japan, prompted Foreign Minister Taro Aso to make his unofficial suggestion about "division" of islands. In an interview published in the "Mainichi Shimbun" on September 28, he mentioned a 50-50 split as

> …one of the ideas. Two islands are not acceptable for us, four – not acceptable for them. So, what about three islands as a half of the difference? Of course it depends whether both sides would agree on it. This cannot be decided by bureaucrats. It is not something that could be taken up from below unless a political decision is made from above. It seems that Putin is very eager to solve the problem.[12]

---

[10] С Японией нам бы хотелось урегулировать все наши спорные вопросы, в том числе территориального характера. Мы не хотим их консервировать – мы искренне хотим решать, но на приемлемых условиях и для России, и для Японии. Надо вместе искать выход…начался поиск этого решения. Он не будет простым и не будет быстрым, но он возможен.

[11] Мы с Китаем вели переговоры по границе начиная с советских времен – 40 лет… И два года назад закончили эту работу, подписав окончательные документы по урегулированию пограничных вопросов…Кстати говоря, это наталкивает нас на мысль о том, что и с Японией мы сможем решить проблемы, какими бы сложными они не казались. Потому что в случае с Китайской Народной Республикой мы сделали шаги навстречу и пошли на взаимные компромиссы, приемлемые как для китайцев, так и для нас. Это потому, что и одна, и другая сторона действительно хотели закрыть эту страницу в наших отношениях и создать базу для добрососедских отношений на длительную перспективу – и мы это сделали.

[12]「一つの考え方ですね。二島じゃこっちがだめで、四島じゃ向こうがだめ。間をとって三島とかいう話だろ。それで双方が納得するかどうかですよ。これは役人で決めることはできません。どこかで政治的な決断を下ろさない限り、

Putin then met the new Japanese Prime Minister, Shinzo Abe, on November 18, 2006 in Hanoi. According to the Japanese Foreign Ministry both expressed an intention to intensify their efforts to resolve the territorial issue,[13] and the Kremlin website noted that Putin expressed his intention to continue searching for "mutually acceptable outcomes".[14]

Later, during debate on December 13 in the Commission for Foreign Affairs of the Japanese parliament, Aso made remarks taken by all leading Japanese newspapers and TV stations as "a new proposal to draw a border line through the islands of Etorofu, Shikotan, Kunashiri and the Habomai islets, based on a 50-50 split". He denied it, arguing that his remarks were "taken out of context" but the news reached Moscow, and the Russian reaction was also very unusual.[15]

Putin and Foreign Minister Lavrov maintained silence, since Aso's observations were unofficial, and, moreover, he had later denied making them. However, some Russian officials did comment. Interestingly, they did not say that Aso's proposals were rubbish, nor maintain that the 1956 Joint Declaration makes only the "two-island formula" a subject of negotiations.

For example, inspired by Aso's proposal to split the disputed islands 50-50, Mikhail Margelov, Chairman of the Upper House International Committee of the Duma published an article including some comments and veiled suggestions.

> …the other day minister of foreign affairs of Japan Taro Aso took up in the Japanese Diet the issue of a possible equal split of the Southern Kurile Islands between Russia and Japan. The history of the dispute over the ownership of Iturup, Kunashir, Habomai and Shikotan islands is well known. Russian, western and Japanese experts do not deny that the Southern Kurils were given to Russia by the Allied Powers at Yalta in 1945. Japan surrendered unconditionally. However the problem must be resolved somehow.
>
> Russia's foreign policy in recent times is distinguished by pragmatism. Maybe, any territorial problems too should be dealt from a position of, if you like, profit,

---

下から積み上げてどうにかなる話ではない。この問題への解決（への意欲）は、プーチン露大統領の頭の中にすごくあるように見えますけどね。」

[13] http://www.mofa.go.jp/mofaj/kaidan/s_abe/apec_06/kaidan_jr.html これまでに達成された諸合意・諸文書に基づき双方に受入可能な解決策を見出すため、政治レベル、事務レベルで更に精力的に交渉していくことで一致した。

[14] http://www.kremlin.ru/appears/2006/11/18/1541_type63377_114024.shtml «Мы продолжаем диалог по мирному договору и со своей стороны намерены и дальше сотрудничать с вами по этому направлению. Будем искать с вами приемлемые развязки».

[15] *Japan Times*, December 15

be it economic, political or military. What about taking a risk, abandoning for the time being the generally correct principle of "not an inch of the homeland" and turn the question of the four islands into a judgment about what these islands give us in political and economic terms. Or should give us".[16]

Mr. Margelov then detailed the benefits Russia has received from possessing these islands. In short they are: an area rich in fish resources; free passages to the Pacific Ocean through straits not controlled by Japan; military presence for securing economic activity in the region, including the activity of shipping companies transporting oil to Japan. He concluded that the two countries could discuss the territorial problem as "good neighbors".

The key word of his theory is "pragmatism". In this sense his logic can be interpreted in two ways. The first is that the islands are too important for Russia to make any concessions. The second is a kind of menu for "bargaining", its most relevant word being "profits."

At the same time Oleg Morozov, Deputy Speaker of the Duma, and a representative of the "United Russia" party, very close to Putin, commented on Aso's remarks very differently. He claimed that there were no disputed territories in Russia, and that the Russians "are not discussing territorial problems with Japan. Therefore before any proposal is formulated in this direction general questions should be discussed first."[17]

However, skepticism prevails among Russian experts on the subject. According to Alexander Alexeyev, Deputy Foreign Minister in charge of relations with Japan, first of all Japan must acknowledge the results of World War II, and there must be progressive development of bilateral relations.[18] In other words, Japan must first recognize that the Kuril Islands, including the four disputed ones, belong to Russia, and then the process of

---

[16] Nezavisimaya Gazeta, December 18 2006.

« …на днях министр иностранных дел Японии Таро Асо поднял в парламенте вопрос о возможности раздела Южных Курильских островов поровну между Россией и Японией. История спора о принадлежности островов Итуруп, Кунашир, Хабомаи, Шикотан известна. И российские, и западные, и японские эксперты не отрицают, что Южные Курилы в Ялте в 1945 году отданы России союзными державами. Япония капитулировала безоговорочно. Но как-то решать проблему все же нужно. Внешняя политика России в последнее время отличается практичностью Наверное, и любые территориальные проблемы должны рассматриваться с позиций, если угодно, выгоды Будь она экономической, политической или военной. Что если рискнуть и на время отбросить верный, в общем, принцип «ни пяди родной земли» и свести вопрос о четырех островах к рассуждению, а что в политико-экономическом плане эти острова нам дают. Или должны дать.»

[17] http://news.ntv.ru/news/NewsPrint.jsp?nid=99803

По словам первого вице-спикера Олега Морозова, спорных территорий в составе России нет. «Россия не обсуждает никаких территориальных вопросов с Японией. Поэтому любое предложение, которое в этом направлении формулируется, должно предваряться обсуждением общих вопросов».

[18] *Nezavisimaya Gazeta*, December 15

finding a compromise will begin, provided that the level of bilateral relations is high enough to justify making any concessions.

If we agree that the sometimes controversial words and positions, and the discrepancies between Putin's words and those of his aides, are not a charade disguising a forthcoming breakthrough, we have to concede that there is absolutely no hope of a solution to the longstanding dispute over territories. Even the very idea of seeking a mutually acceptable compromise proves that no such compromise exists.

Nor does the recent interest in the 50-50 "Chinese formula" appear promising. There is an apparent difference between the substance of Russia-China and Russia-Japan relations, and identifying it may be helpful for understanding why a compromise is hopeless so far.

1) Islands in the Southern Kurils are of much higher economic and even strategic value than islands in the Amur or Aigun rivers. This is particularly significant from the "pragmatic" point of view.
2) The growing might of China is a real potential menace to Russia, and this pushed Putin to make an unpopular decision. He well understood that the earlier the better he resolved territorial issues with China. Except in military strength, the balance of economic power (GDP) between Russia and China is 1 to 5, and China's supremacy over Russia will surely grow in the future. If the frontier issue were not resolved now it would require more concessions later, and become a cause for future diplomatic and economic pressure. This is particularly important because of the history of territorial delimitation between the two countries. One day the Chinese might well recall that Russia took all the Maritime Province in the mid-nineteenth century, when China was weak.
3) China's current good and friendly relations with Moscow on one side, and its practically tense, mutually suspicious relations with Tokyo on the other, helped Russia to rid itself of fundamental concern about a "China plus Japan against Russia" syndrome which haunted the minds of the political elite from the 1970s.
4) Having trouble with Europe and the U.S.A. over questions of democratization and natural resources, and striving to replace Western domination with a multipolar world and multiple models acceptable as "democratic", Russia is approaching China as a "natural ally". Japan, however, has firmly located itself on the opposite side with countries "abiding by democratic values" vis-à-vis Russia and China. The recent NATO session in Riga, which featured an appeal to Japan and Australia to cooperate with Brussels, marked a new "soft" division of the world into two camps by ideology.
5) The high prices of oil and natural gas have helped Russia to become more self-confident and nationalistic. Its patterns of behavior in the case of gas exports and the territorial dispute are surprisingly similar. "We have gas (territory), you need it, and so it is up to you to get it. But you must pay (make concessions) for that".

This is an expression of the philosophy of "national interest's supremacy over other values" that is dominant in the contemporary world. Russia is not to be blamed for that; it is of the essence of international relations after the dissolution of the USSR, 9/11, and the Iraq war.

6) The economic factor, that used to be influential in pushing Russians for a compromise, has turned by 180 degrees since the Gorbachev era. Russia now has huge currency reserves, a vast consumer market, and enormous natural resources, attractive to Japanese companies that don't care about the territorial problem. Russia can now dictate its own conditions. The recent dramatic developments in the Sakhalin-2 oil and gas project indicate this drastic change.

Nevertheless, when we consider what may in 2007 push Putin to make extraordinary efforts to resolve the territorial dispute with Japan, one factor should be taken into account in connection with the still attractive though not decisive idea of securing Japanese investment in the Russian Far East region. It is China. Approaching China is a tricky undertaking. Russia doesn't want to be alone with China, so Moscow is also trying to cultivate relations with India. Considering Japan's potentially tense and rivalry-oriented relationship with China, good relations with Japan may be very helpful in balancing the huge Chinese power.

And there is one more reason. In my opinion Russia's territorial dispute with Japan is a kind of a time bomb. There is no clear mandate for any country to possess not just four but all the Kuril Islands and southern Sakhalin. This puts an instrument into the hands of those who would like to use the issue for pressuring Russia in future. The United States used its strong leverage to destroy the two-island solution in 1956. So the question is will the future work for Russia or Japan in their dispute over the islands? That is a tricky question, and Putin seems to be aware of that.

In May 2007 the Japanese Emperor will come near Russia's borders, in visiting all three Baltic states, formerly parts of the USSR, the country to which Japan's territorial claims were initially addressed. This visit will be very symbolic of how the world has changed, and how political relations between Russia and Japan have failed to reflect the changes.

Can the Southern Kurils be Demilitalized?

By Geoffrey Jukes

The Russian military has continued to argue that the "Northern Territories" claimed by Japan in the Kuril island chain are vital to the defence of the Russian Far East. However, this paper argues that the islands were strategically unimportant until the mid-1970s and that current developments are again making them less important. The islands were militarised in the 1970s and 1980s in response to new developments in strategic deterrence, as the Sea of Okhotsk became a bastion for Soviet missile-firing nuclear-powered submarines based at Petropavlovsk and targeted on the western USA, and associated airfields, storage facilities and radar and sonar protective networks were established along the Kuril-Kamchatka line. Russian military writers have based their arguments on the need to retain these facilities. The paper refutes their claim that retention of the most southerly islands is necessary in order to ensure access to ice-free passages, and suggests measures to meet other concerns obstructing a settlement.

The development of warheads with greater range and sophistication and the difficulties of the superpowers in developing affordable and effective ABM systems were already making the Petropavlovsk base more difficult to justify in the Cold War period. Continuing *detente*, a reduction in US forward basing, and in particular the operation of the START-2 and SORT Treaties are invalidating the arguments for a bastion in the Sea of Okhotsk. These factors, along with the reduction in ship-building and repair resulting from Russia's economic problems, have led to a rundown in Russia's fleet numbers and a need for fewer fleet bases. But settlement of the Northern Territories dispute will depend on political as well as military factors: only a politically strong regime in Russia would be able to risk concessions, and these are only likely in a context of continued *detente.*

The paper analyses developments up to the end of 2006.

Russia's Military and the Southern Kuriles Problem

The dispute over the Japanese "Northern Territories" (or Russian "Southern Kurils") has been conducted largely in terms of legal, semantic and geographical niceties, such as who first "discovered" the islands; are the disputed territories really part of the Kurils chain; can Japan be forever bound by agreements made at Cairo, Yalta and Potsdam, to which it was not a party; can Russia, which did not sign the 1951 San Francisco Peace Treaty exploit the concessions Japan made in that Treaty; is Russia bound by an undertaking its Soviet predecessor made in 1956 and unilaterally revoked in 1960, to return two of the Territories (the Habomais and Shikotan) on signing a Peace Treaty; and so on. There is an overlay of nationalistic outpourings, and a military position that flatly claimed retention of the disputed territories to be very important to the security of the Russian Far East. The Soviet and now Russian military seldom presented any arguments to justify its assertions, provided very little specific information about the installations and facilities that would be lost if the territories were returned to Japan, and made no public suggestions as to how their contribution to the area's security could be replaced by, for example, building new or adapting existing

installations on other Kuril Islands, Sakhalin or the mainland, where Russia's sovereignty is not in question.

The tight hold the military has kept on information derives from longstanding practices that predate the 1917 Revolution. Like every other governmental institution, the pre-1917 military was answerable only to the Tsar. War and Navy Ministers were generals or admirals, not civilian politicians, the size, costs, deployment and use of the armed forces were decided between the Autocrat and his military advisers, subject only to the ability of other members of the government to influence the Tsar's thinking. Representative institutions, established after Russia's devastating military and naval defeats in the Russo-Japanese War and the abortive revolution of 1905, made little difference. Ministers continued to be appointed or dismissed by the Tsar; Parliament and public were told about military matters only what he saw fit to tell them, and otherwise depended on what they could find out for themselves, deduce from a loosely censored press, or learn from dissidents; and the Tsar's identification with the military became even more absolute during the First World War, when Nicholas II left St Petersburg to exercise his function as titular Supreme Commander from a headquarters in the field.

The revolutions of February and October 1917 were followed by a civil war, and establishment of a regime that, under Stalin, utilised control over access to information as a primary tool of government. Censorship was carried to lengths no Tsar had conceived, and practically all military matters automatically became state secrets. To detail the effects of this is beyond the scope of this paper, but two examples can illustrate how far-reaching it was. The first Soviet nuclear weapons test took place in 1949, but not till 1955, two years after Stalin's death, was the military permitted to initiate a discussion, mostly in Secret and Top Secret supplements to its professional journal, about the effects of nuclear weapons on strategy and tactics. During the Soviet-American Strategic Arms Limitation (SALT) talks at the end of the 1960s, the senior Soviet military representative, Colonel-General (later Marshal) Ogarkov, asked the chief American delegate to stop giving information about Soviet strategic weapons to the civilian members of the Soviet delegation.

There is much more openness since the Soviet Union was dissolved, but information is still released selectively and chiefly to serve military purposes. Matters such as shortages, lack of new equipment, inadequate pay and housing, requiring decisions and allocations of funds by civilian politicians, are aired, because publicity helps to create a "constituency" for military views on how to resolve them. But decisions about what to release and what to conceal are still in the hands of senior officers conditioned in the Soviet period to the idea that military matters are *ipso facto* state secrets, that civilians have no inherent right to know. So information about force deployments and installations is harder to come by, and both Soviet and Western commentators still have to rely heavily on what Western governments allow their intelligence organizations to make public. These releases, too, tend to be selective, designed to serve national (or party-political, self-defined as national) interests.

Fortunately a thoroughly researched Western study of the Soviet Pacific Fleet published in 1990[1] collated and analysed all information available up to that time, including details of installations on land in the Kurils chain as a whole and the disputed territories in particular. In 1992 a comprehensive report on the Northern Territories issue was compiled by a joint US-Japanese-Russian group of scholars,[2] rare attempts were made by a Russian admiral[3] and general[4] in the military press to present the case for holding on to the islands, and testimony provided by two other officers to a hearing by a committee of the Supreme Soviet was also published.[5] These five sources, supplemented by other items, provide enough information for an attempt to analyse the Russian military position on the Territories, distinguish knee-jerk reactions from genuine security issues, and suggest some ways in which Japan and the United States could banish the former and alleviate the latter.

Two agreements between Russia and the United States on Strategic Arms Reduction, START-2 (signed in 1993) and SORT (2002) have considerable implications for the Northern Territories issue. START-2 provided for each side's strategic nuclear warheads to be reduced to between 3,000 and 3,500 in two stages, first by removing warheads above that number from their "delivery vehicles" (missiles or bombers), by the end of 2003, and second, by destroying by the end of 2007 the surplus delivery vehicles, except for some bombers and submarines to be converted for tactical use. Of relevance to the Northern Territories issue is the number of strategic nuclear warheads to be carried on Submarine-Launched Ballistic Missiles (SLBM) carried in nuclear-powered missile submarines (SSBNs). These first came into service in the Soviet Navy in 1967, and most of them are stationed in the Murmansk area as part of the Northern Fleet. However, from 1978 about a third of them have been based at Petropavlovsk-Kamchatskiy, deployed in the Sea of Okhotsk, protected by installations in the Kurils chain including radars, a sonar barrier along its east side chain to detect US attack submarines, which began penetration into the Sea of Okhotsk in 1982, submarines and anti-submarine warfare (ASW) ships and aircraft, and stocks of mines for laying in the passages between the islands in the event of a crisis capable of leading to war. The START-2 reductions limited SLBM warheads to a maximum 1,750, ie 50 percent of the retained force; the SORT agreement that replaced it limits total warheads carried by land-based Intercontinental Ballistic Missiles (ICBMs), SLBMs or bombers to a range 1,700-2,200 by the end of 2012, but does not specify delivery vehicles. In theory, therefore, they could all be SLBM, but this is unlikely for several reasons.

The Russo-Japanese Frontier up to the mid-1970s

---

[1] Derek da Cunha, *Soviet Naval Power in the Pacific,* (Lynne Rienner, Boulder and London, and Institute of Southeast Asian Studies, Singapore, 1990).

[2] Graham Allison, Hiroshi Kimura, Konstantin Sarkisov (co-directors), *Beyond Cold War to Trilateral Cooperation in the Asia-Pacific Region. Scenarios for New Relations between Japan, Russia and the United States.* Two volumes: (1) Report and Appendices A-E. (2) Appendices F-N (Strengthening Democratic Institutions Project, Harvard University, Cambridge, Mass., 1992). Hereafter cited as Beyond Cold War ....

[3] Rear-Admiral V. Virkovskiy, 'Russia and the Kurils' in *Morskoy Sbornik* (Naval Anthology), No.3, 1992, pp.7-11.

[4] Major-General G. Mekhov, 'Military Aspects of the Territorial Problem' in *Krasnaya Zvezda* (Red Star), 22 July 1992, p.3.

[5] *Japan Times*, 29 July 1992, p.2; and *Nezavisimaya Gazeta,* 26 August 1992,p.2.

This frontier was first demarcated in 1855 by the Treaty of Shimoda, which placed it between the Kuril islands of Urup and Etorofu. Sakhalin was left open for settlement by both countries, but in 1875 by the Treaty of St. Petersburg, Japan renounced any claim to it, in exchange for receiving the entire Kurils chain. In 1905 Russia, defeated in the Russo-Japanese War, ceded southern Sakhalin to Japan by the Treaty of Portsmouth; the Kurils remained Japanese until 1945, when Soviet forces occupied them all.

All the Kuril Islands were therefore Japanese for seventy years (1875-1945), and despite heavy militarisation of some of them during the 1930s no direct threat to Russian or Soviet security was ever mounted from them. They played no part in the Japanese intervention in the Russian Far East in 1917-1921, Japanese occupation of Northern Sakhalin (until 1925), nor the fighting between Soviet and Japanese forces at Lake Khasan (on the Soviet-Manchurian border south-west of Vladivostok) in 1938, and in Outer Mongolia in 1939. Japan did not lack expansionist ambitions, but Kamchatka and the Sea of Okhotsk were irrelevant to them. Insofar as conquest of Soviet Far Eastern territories was considered at all, it would have been implemented not from offshore islands, but from Korea and Manchuria, and from the Japanese main islands, particularly against the Vladivostok base of the recently (1932) reestablished Pacific Fleet. Some Japanese interference occurred in operation of the Pacific route through which Lend-Lease supplies reached the Soviet Union during 1942-45, but most of it occurred in the Sea of Japan. Soviet authors made much of alleged Japanese violations of the Japanese-Soviet Neutrality Pact to justify the Soviet breach of it in declaring war on Japan in August 1945, but the Pacific-Trans-Siberian route accounted for 47.1 percent of all Lend-Lease shipments, slightly more than deliveries via Murmansk (22.8 percent) and the Persian Gulf (23.8 percent) combined,[6] and could not have functioned without Japan acquiescence.

Stalin's price for joining the war against Japan was not geared to eliminating a security threat from the Kurils. The return of Southern Sakhalin and reactivation of basing rights in Port Arthur and Dairen in China took revenge for defeat in 1904-5 (he said as much in his speech following Japan's surrender: "for forty years the men of the older generation have waited for this day")[7]: annexation of the Kurils and his request, promptly rejected by President Truman,[8] for an occupation zone in Northern Hokkaido, served merely to intensify the revenge, and to exhibit his regime as stronger than any Tsar's, by taking more than had been lost in 1905, including islands voluntarily ceded by Russia in 1875 and the "Northern Territories" which had never been Russian. Any basis for current claims that returning the disputed territories to Japan would harm the security of the Russian Far East must therefore be sought in more recent events than those which prompted their seizure in 1945.

The immediate post-1945 situation in Northeast Asia, particularly in China and Korea, appeared to favour Soviet expansionism, but stalemate in the Korean War preceded a souring of Sino-Soviet relations. Upgrading of Soviet forces in the Far East, to face first the

---

[6] *Morskoy Sbornik*, Nos 5-6, 1992.
[7] 'Comrade J.V. Stalin's Address to the People on the Subject of Japan's Capitulation, 2 September 1945', carried in Soviet newspapers 4 September 1945.
[8] *Beyond Cold War...* , Vol.1, pp.93-94, Documents 23-25.

United States, then China, and ultimately a feared US-Chinese-South Korean-Japanese alliance, took place in stages, with a dramatic increase following fighting over an islet in the Sino-Soviet border Ussuri River in March 1969, and more gradual increases and qualitative upgrades at other times. But right up to the mid-1970s attention remained totally focussed on the southern sector; the Kurils-Sakhalin-Sea of Okhotsk-Kamchatka area remained of low military significance. In fact a former resident of Shikotan stated that from 1963 to 1978 the entire chain was in effect demilitarised, as there were no garrisons on the islands.[9]

New Strategic Developments

This situation was changed by developments in strategic deterrence completely unrelated to the local situation. From the beginning of the nuclear age the superpowers diversified their strategic nuclear forces by using a mixture of delivery systems - bombers with free-fall bombs or cruise missiles, and land-based static or mobile intercontinental ballistic missiles, and later, from 1961 in the U.S. and 1967 in the Soviet Navy, added shorter-range ballistic missiles launched from submarines. The strategic importance of these submarine-borne systems grew steadily with increases in range and improvements in accuracy of the missiles they carried. Although expensive to deploy (most of the cost being that of the submarine), their mobility and ability to hide offered considerable advantages over other systems in possibility of surviving an enemy surprise attack.

These developments occurred in stages over almost two decades, during which, despite prolonged flirtations with "counterforce" or "city-sparing" targeting doctrines, and U.S. pursuit of anti-missile defence, the core of deterrence rested throughout on perceived ability to destroy the other superpower's main conurbations. These are few in number, contain most of the production, communications, transport, administration and skilled labour essential to an organised state, and, unlike military targets, cannot be moved, concealed or hardened. They were from early on prime targets for the submarines, because their size and softness made them vulnerable even to the relatively inaccurate undersea-launched missiles of the time and, despite great improvements in accuracy, the submarine-launched ballistic missile (SLBM) submarine remains especially associated with "city-busting" deterrence, because of its higher perceived ability to survive a surprise attack.

The first SLBMs had a range (1200 nautical miles in the American case, 500-700 in the Soviet) adequate to reach major targets only from launch points relatively near an enemy coast. For the United States, achieving adequate time "on station" (i.e. within range of targets) necessitated overseas deployments; to Holy Loch in Scotland (1961), the U.S. Pacific island of Guam (1964), and Cadiz in Spain (1965). However, in time missile ranges increased to the point that U.S. SLBM submarines could attack all targets in the former USSR from home waters, so the overseas bases were abandoned in the late 1980s.

[9] Oleg Bondarenko, 'Neizvestnyye Kurily' (The Unknown Kurils), (VTI-Deyta Press, Moscow, 1992), p. 193.

Early Soviet missile submarines, with missiles of even shorter range than their American counterparts, could attack American targets only from firing points off the U.S. Atlantic and Pacific coasts, while lack of suitably located overseas allies, and probably also (following the Cuban missile crisis of 1962) political and military reluctance to base such important weapons anywhere not totally Soviet-controlled, precluded following the U.S. example and seeking foreign bases. In North Russia the obvious basing point was Murmansk, headquarters and main base of the Northern Fleet, an ice-free port with reasonably good access to the high seas. But the Pacific Fleet main base at Vladivostok was less suitable. Its location on the Sea of Japan, an enclosed sea with relatively narrow exits, would have rendered the submarines vulnerable to attack by enemy anti-submarine forces at the very start of the long voyage to their firing points off the U.S. west coast. Alternatives such as Sovietskaya Gavan' or Korsakov on Sakhalin were ruled out because the Sea of Okhotsk is also "enclosed". Despite its remoteness and lack of road or rail access to the rest of the country, Petropavlovsk-Kamchatskiy was then the only feasible site for Pacific-based Soviet SLBM boats, because it has direct access to the Pacific. However, Soviet development of SLBM missiles and boats proceeded less quickly than American, partly for technical reasons and partly because the land force-dominated military preferred land-based missiles located well inside Soviet territory to a weapons system which was not only much more expensive, but could reach its launch points in the western Atlantic and eastern Pacific only after long voyages through enemy-controlled waters. However, by the mid-1970s Soviet SLBMs had developed to the point where in the foreseeable future all targets in the USA could be attacked from launch points in Soviet home waters.

This engendered a "bastion" concept, in which the submarines operate from relatively enclosed seas, protected from U.S. or U.S.-allied anti-submarine forces by a combination of minefields, radars (land-, ship- and aircraft-based), ship, aircraft and seabed sonars, attack submarines, surface warships and carrier- or land-based aircraft. The two bastions are the Barents Sea in the north-west and the Sea of Okhotsk in the east, and the division of SLBM boats between them was approximately 65-35 percent, though in terms of warheads more like 75 percent-25 percent, as the Murmansk-based force included the largest and newest submarines, with the newest types of multiple-warheaded missiles. So in the late 1970s the Sea of Okhotsk leapt from almost total strategic insignificance to being the second most important sea area around the Soviet Union, ahead of the Baltic and Black Seas. A minor bastion was also developed in the Sea of Japan, by stationing six Delta-I SLBM boats at Vladivostok, but this was secondary compared to the nine more modern Delta-Ills and three Delta-Is based at Petropavlovsk, and was probably more important as the location of overhaul facilities for all Pacific-based SLBM boats.

This strategic leap naturally applied also to the importance of the Kuril Islands and Kamchatka, which separate the Sea of Okhotsk from the Pacific Ocean. If various rocks and islets are taken as being within passages rather than between them, there are fifteen passages

between the sea and the ocean,[10] and it was reasonable for Soviet military planners to assume that the new strategic importance of the Sea of Okhotsk would increase the U.S. Navy's interest in penetrating it, so that countermeasures must be taken. These comprised radars, airfields and naval storage and berthing facilities on some of the islands, a chain of submarine-detecting sonars laid on the seabed east of them, and, of course, major upgrading of the facilities at Petropavlovsk to suit its new role as the Pacific Fleet's second largest (and largest submarine) base, and home port of a large proportion of the Soviet strategic deterrent. Petropavlovsk's isolation required provision of storage for ammunition, fuel and food adequate for several months, and protection of the SLBM boats against surprise attack while surfaced at their base, achieved by tunnelling into cliffs. By January 1990 twenty SLBM submarines were based at Petropavlovsk. Eight of them, of the obsolescent Yankee class with a 1500-mile missile necessitating reaching a firing point well across the Pacific, were being phased out or converted to attack submarines, and will not be considered further. The other twelve comprised nine Delta IIIs and three Delta Is, capable of attacking U.S. targets west of the Great Lakes from positions in the Sea of Okhotsk. A surface task force headed by the heavy aircraft-carrying cruiser *Novorossiysk* was also based there to protect the "sanctuary," as were about half the Pacific Fleet's attack submarines. Four air bases were established, two for Naval Air Force anti-submarine reconnaissance-strike aircraft, and one each for the Air and Air Defence forces, as were air search, over-the-horizon early warning and ground-controlled intercept radars.

The headquarters for the sonar barrier is also at Petropavlovsk.[11] The post-1978 rise in importance of the base there created a situation undesirable in strategic principle, by compelling the Pacific Fleet to divide its main forces between two widely separated bases, one of them on the enclosed Sea of Japan, with chances of mutual reinforcement in a war problematical because any attempt to combine them would almost inevitably be strongly contested. However, no exercises involving combining were conducted in the last Soviet years, so it would seem that it was not among Soviet naval war plans. From 1967 to 1976 the Pacific Fleet received more new major warships than any of the other three fleets, and from 1976 to 1989 enjoyed approximate parity in new deliveries with the Northern Fleet. This upgrading (which extended also to the Air, Air Defence and Naval Air forces), suggests that the Soviet leadership saw the Pacific-based deterrent as important enough to justify the heavy expenditure needed to enable each centre to function without needing the other's support.

The main military centres in the islands themselves are at Burotan Bay on Simushir and Hitokappu Bay on Etorofu. Burotan hosted surface-to-air missile and air search radar units, from six to twelve diesel attack submarines, minesweepers, fast attack craft and support

[10] Da Cunha, *Soviet Naval Power in the Pacific*, p.73. If the rocks and islets are counted as separating passages, the total rises to 26.

[11] Description of facilities at Petropavlovsk and in the Kurils taken from da Cunha, *Soviet Naval Power in the Pacific*, pp.59-90 passim.

ships, and had a large stockpile of mines, to be laid in the nearby straits in the event of war. It also has a tracking station for the sonar barrier. Hitokappu Bay (the assembly point in November 1941 of the Japanese Navy carrier force which went on to attack Pearl Harbor) served several purposes. The Pacific Fleet had several points to which it would disperse its ships if a threat of war arose, and Hitokappu is the dispersal base for ships normally stationed at Korsakov, on Sakhalin. In accordance with this role it had substantial fuel, lubricant and ammunition storage. There were also three early warning radars, and an airfield at nearby Burevestnik, with about 40 interceptor aircraft and some helicopters. Hitokappu also has a tracking station for the sonar barrier. Post-1978 militarisation of the islands brought in Army units, approximating to one division, originally of about 10,000 men, mostly stationed on Etorofu, but with one regiment on Kunashiri and about one battalion on Shikotan, where there are also units of maritime Frontier Guards to patrol the fisheries zone. These forces were later substantially reduced; this could be interpreted as a step towards demilitarisation of the Territories, as advocated in the five-stage plan for resolving the dispute advanced by Yeltsin in 1990[12], but more likely reflected the Russian armed forces' current problems (cuts in spending, massive increases in draft-dodging and difficulties of supplying and feeding those who presented themselves),[13] or at best as a small step in the early stages of reform of the Russian armed forces.[14]

Military Value of the Habomais and Shikotan

These lie south and east of Kunashiri, outside the main chain of islands that protect the "sanctuary", and Soviet willingness to return them as part of a peace settlement in 1956 undoubtedly reflected their perceived lack of military value at that time. However, the Sea of Okhotsk then lacked the strategic importance it acquired after 1978. So it will now be considered whether post-1978 circumstances differed sufficiently from those of 1956 to invalidate the concession then envisaged, but withdrawn in 1960 after Japan renewed its Security Treaty with the United States.

The fundamental reason why the Soviet-Japanese negotiations of 1956 did not result in a peace treaty was intervention by the United States, which for Cold War reasons preferred not to see a Soviet-Japanese *rapprochement.* When agreement appeared close, U.S. Secretary of State John Foster Dulles told Japanese Foreign Minister Shigemitsu that it would violate Article 26 of the U.S.-Japan Peace Treaty of 1951, and that the United States "might remain

---

[12] *Beyond Cold War... ,* Vol.2, Appendix L, General Batenin's paper, p.5.

[13] The magnitude of these problems was illustrated by the dismissal in March 1993 of several senior Pacific Fleet officers, among them the Fleet Commander and Head of Medical Services, and severe reprimanding of others, including the Head of Logistics, following disclosures of malnutrition and brutal training affecting 2000 recruits (4 of whom died) at a depot near Vladivostok. *Japan Times, 9* March 1993, p.20. Difficulties in maintaining force numbers were shown by statements that only 20% of those liable reported for the autumn 1992 call-up, and that only 13,500 of 100,000 vacancies for contract service were filled in 1992. *Newsweek,* 1 March 1993, p.31.

[14] *Krasnaya Zvezda,* 6 February 1992, p.3, 2 June 1992, p.3, 23 June 1992, p.2; interview by Russian Defence Minister Grachev in *Armiya* (Armed Forces), Nos 11-12, 1992.

forever in Okinawa".[15] This lever no longer exists; the United States restored sovereignty over the Southern Ryukyu Islands to Japan in 1971, retaining a base on Okinawa under the 1960 Security Treaty. Even if the lever still existed, the motivation to use it is much weakened. In the post-Cold War climate, U.S. governmental efforts are directed at securing greater Japanese participation in controlling regional conflicts, rather than at maintaining tension in Japan's relations with Russia.

Nevertheless, the United States retains an important role. However strongly Russian hard-liners attempt to present Japan as a growing military threat, they cannot but be aware that its forces and military expenditures are small relative to its population and resources, its continued reliance on the U.S. nuclear umbrella derives mainly from its extreme vulnerability in the event of a war, that there is widespread public opposition to any idea of its seeking to become a nuclear power, and that to emphasise the defensive nature of its armed forces it has not equipping them with any means of long-range attack. Russian concern is less with what Japan might do militarily than with what it might permit U.S. forces to do from its territory and surrounding waters, and at the very apogee of the Soviet siege mentality in the early 1980s extended to include a worst-case assumption[16] of Chinese manpower equipped with U.S. and Japanese high-technology weaponry. The mind-set that engendered this closely resembled that which governed Stalin's attitude to Finland in the late 1930s[17] and the articles by Admiral Virkovskiy and General Mekhov (discussed below) displayed its continued existence. There have been hints, notably in speeches by President Putin and Foreign Minister Ivanov on 14 and 15 November 2004, that Russia would cede Habomai and Shikotan on conclusion of a peace treaty, but they appear to carry the implication that Japan would have concurrently to drop its claims to the larger islands. On 27 September 2005 Putin appeared to renege even on that limited undertaking. Nevertheless, that the Soviet Union and Russia have been prepared at various times to contemplate ceding Habomai and Shikotan suggests that they have as little military value now as they had in 1956.

The Military Value of Kunashiri and Etorofu

However, when it comes to drawing distinctions between the smaller and larger territories, the indications are ambiguous. In April 1991 the then Soviet Defence Minister, Marshal Yazov, stated categorically[18] that "all four islands *[sic]"* were "vital", and at a Supreme Soviet hearing in July 1992 the two military spokesmen drew no distinction

---

[15] Memorandum of Dulles-Shigemitsu conversation in London, 19 August 1956. Extract in *Beyond Cold War... ,* Vol.1, p.109, Document 44.

[16] Marshal Ogarkov, article in *Kommunist,* No.6, 1981.

[17] His fear was not that Finland itself would attack, but that it might provide a bridgehead for a larger enemy (variously seen as Germany, Britain and France); temporarily assured of German neutrality by the Molotov-Ribbentrop Pact of 1939, he fabricated an incident and attacked Finland, achieving his territorial objectives, but encouraging German ambitions by exposing the Red Army as poorly trained and led, and ensuring that when Germany attacked, Finland would indeed serve as a German bridgehead, and, more, would itself attempt to recover its lost territories. For full discussion see M.I. Semiryaga, *Tayny Stalinskoy Diplomatii 1939-41* (Secrets of Stalinist Diplomacy 1939-41), (Vysshaya Shkola, Moscow, 1992), pp.141-204.

[18] *Mainichi Shimbun,* 10 April 1991.

between the Territories when they declared that cession would significantly harm Russia's ability to defend its Far Eastern territories.[19] On the other hand, two articles that dealt with the situation in more detail, by Rear-Admiral Virkovskiy and Major-General Mekhov, drew the same general conclusion but mentioned specifically only Kunashiri and Etorofu. It is advisable at this point to note what they said.

The earlier of the two, by Rear-Admiral Virkovskiy, was published in March 1992. It referred to historical, economic, social and political factors in strongly nationalist terms, but with one exception (his assessment of the political consequences of cession) these need not concern us, as they are fully covered in the Allison-Kimura-Sarkisov Report and Appendices. His brief review of the military aspects of the dispute is summarised here.

> …the Kurils chain has substantial importance in military-strategic planning, as a natural barrier on the approaches to the Sea of Okhotsk and Maritime Province. Besides, the U.S. and Japanese military-political leadership still sees Hokkaido as the bridgehead for escalating military operations in the Far East in the event of an armed conflict with Russia. Over 50,000 Japanese troops are there, with about 700 tanks, 800 artillery and mortar systems, up to 90 combat aircraft and about 40 anti-ship missile launchers, and 3 to 5 divisions a day could pass through the (Seikan rail) tunnel between Honshu and Hokkaido.
>
> Russian forces on the Southern Kurils comprised only about 10,000 men, including one division, an air force interceptor regiment (not much more than 30 aircraft), and four anti-ship missile launchers. Nevertheless, he claimed, Japan's military-political leadership continued to press Russia for further reductions, and its press deliberately exaggerated Russian force numbers by counting in all those deployed east of the Urals. On acquiring sovereignty over the Southern Kurils, Japan for political reasons would not initially deploy substantial forces there at once, but undoubtedly would later increase them. If a conflict situation arose, these additional units might be used to defend the islands, block the straits zone and attack the Northern Kurils.
>
> Thus if the South Kurils were transferred to Japan, Russia would suffer significant military harm. The forward defense line would be lost, and favourable conditions created for naval and air forces of Japan and its allies to advance into the Sea of Okhotsk, seriously worsening the operational-strategic situation of Russia's Far East.[23] The cession would also "create a precedent for review of existing frontiers, such as by Germany to Kaliningrad province, Finland to Pechenga and Karelia, China to areas of the Amur, Maritime Province and Transbaikal, Japan to the rest of the Kurils and Sakhalin, the Baltic states to part of Leningrad province and the north-west provinces of Russia." The only point requiring comment here is that the Russian Navy is particularly anxious about Kaliningrad (formerly Koenigsberg). Since withdrawal from Estonia, Latvia and Lithuania, its Baltic Fleet

[19] Transcript of hearing published in *Rossiiskaya Gazeta*, 14 August 1992.

has only two bases - Peterburg-Kronstadt, icebound for almost half the year, and Kaliningrad, ice-free, but separated from Russia by Lithuania.[20]

Virkovskiy did not mention the Sea of Okhotsk's role as an SLBM sanctuary. His argument was geared entirely to conventional war, and was curiously selective about Hokkaido, mentioning it as the main jumping-off point for alleged U.S./Japanese plans to escalate a Far East war, but ignoring the facts that, for naval and especially air penetration of the Sea of Okhotsk, Hokkaido outflanks the Kurils, and the operations he alleged Japan would mount from the Southern against Northern Kurils could even better be mounted from Hokkaido against the Southern Kurils. And while castigating Japanese comparisons for including Russian forces not stationed in the Kurils, he included Japanese forces (and presumably American forces in Sasebo) not stationed in Hokkaido, and ignored the deterrent effect on Japan of its vulnerability to air and missile attacks on its densely populated main islands.

General Mekhov argued the military case somewhat more fully, and his article was published in the all-forces newspaper "Red Star", a few days before Supreme Soviet hearings,[21] which implies it was meant to be an authoritative exposition. If so, its deficiencies were the more remarkable. Worst-case assumptions, implicit in Virkovskiy's scenario, were explicitly defended in Mekhov's article as the only reliable basis for analysis, ignoring the role such assumptions played during the Cold War in dragging the Soviet Union into an unwinnable arms race. And while Virkovskiy was eclectic in his references to Hokkaido, Mekhov ignored its existence altogether. He stated, for example, that if the islands were ceded the Sea of Okhotsk would cease to be "an internal Russian sea" (which, of course, it is not, because of Hokkaido's long coastline on it), argued that Japanese possession of the Territories would facilitate invasion of Sakhalin (for which the Kurils are irrelevant, as Sakhalin lies in sight of Hokkaido's north-west tip, whereas the Kurils extend north-eastward from its north-east extremity) and enable Japanese-U.S. forces to prevent the two halves of the Russian Pacific Fleet from combining.

However, the Kurils are irrelevant to this also. The two halves, based respectively in Vladivostok and Petropavlovsk-Kamchatskiy, are separated by most of the Sea of Japan as well as all the Sea of Okhotsk, the forces which would resist their combining are based in the Japanese main islands, and the "choke point" is the narrow La Perouse Strait, between Hokkaido, Sakhalin and the mainland, which one of the halves would have to transit. The two forces served entirely different purposes, those based at Vladivostok existing to attack into, or defense against, attack from, Chinese, Japanese or Korean waters, while the Petropavlovsk-Kurils-based component was there to defend Petropavlovsk and the Sea of Okhotsk SLBM "sanctuary". Even the straight-line distance between the bases is equivalent to half of the North Atlantic, and the sea passage is far from direct. The distance, choke points *en route,* and difference in functions undoubtedly explain why the much larger Soviet Pacific Fleet seldom exercised the prerequisite for combining its forces, a breakout into or from the Sea of Japan, and did so not at all in the USSR's last

[20] Rear-Admiral V Virkovskiy, 'Russia and the Kurils' in *Morskoy Sbornik,* No.3, 1992, pp.7-11.

[21] Major-General G, Mekhov, 'Military Aspects of the Territorial Problem' *Krasnaya Zvezda, 22* July 1992, p.3.

years.[22] The Pacific Fleet has no war-fighting scenario that requires its two halves to combine, and that is probably why Virkovskiy, a naval officer writing for a naval audience, did not use this argument.

The same unrealism characterised Mekhov's argument that loss of control over the allegedly ice-free passage between Kunashiri and Etorofu and of the south side of that between Etorofu and Urup would impede movement of Russian warships from the Sea of Okhotsk to the Pacific. First, Petropavlovsk is on the Pacific, and the main function of ships and aircraft stationed there would be to counter American submarines or carrier task forces approaching from the east. Second, nearly all the Sea of Okhotsk is frozen for several months in winter; surface warships of either side could operate with great difficulty, if at all,[23] and it therefore matters little whether or not the passages between islands on its margin are frozen or open. Third, Russian warships make very little use of these passages.[24] The only surface warships "programmed" to move from the Sea of Okhotsk to the Pacific in a crisis likely to lead to war are those based in Sakhalin; they are to move from Korsakov to Hitokappu Bay on the east coast of Etorofu, for dispersal and/or to reinforce the forward defences. Their ability to make the passage in winter is dubious. The only significant numbers of ships actually based in the Kuril Islands were at Burotan Bay, at the north end of Simushir, and ice free.

Finally, Mekhov's references to ice-free passages between the southern islands and implied icing of those between the northern ones are completely contradicted by two sets of maps in the marine Atlas of the Pacific compiled by the Soviet Navy's Directorate of Navigation and Oceanography, and published by the Soviet Ministry of Defence in 1974. One set gives the average water temperature and edge of winter ice, the other its salinity, during each month of the year. The temperature maps show that in winter ice extends right across the southern part of the Sea of Okhotsk into the most southerly passage, between Hokkaido and Kunashiri, but further north the edge of ice is considerably west of the Kurils. The salinity maps help to explain this. They show that the water in the western and southern part of the Sea of Okhotsk is less salty than in the north and east, and therefore freezes more readily.

The explanation is simple. The Amur River contributes large amounts of very cold fresh water to the Sea of Okhotsk in October-November. This flows north and south in the Tartary Straits between the mainland and Sakhalin, lowering both the temperature and the salinity of the waters as far south as La Perouse Strait, and along Hokkaido's entire north coast, as far east as Kunashiri and Etorofu. Further north, currents from the Pacific bring warmer and saltier water to the passages between the islands, which are also much further distant from the source of the fresh water, so the edge of ice is well to the west of them.[25]

---

[22] In fact the large majority of Pacific Fleet warships with long-range anti-ship attack capacity were already stationed outside the Sea of Japan, da Cunha, *Soviet Naval Power in the Pacific*, p.67.

[23] Personal observation. On 28 February 1993, near the end of the mildest winter for seven years, and with thawing well advanced, floes less than one nautical mile offshore at Abashiri were well over one metre thick.

[24] *Beyond Cold War...* , Vol.2, Appendix L (Professor Nishihara's paper), p.10.

[25] *Atlas Okeanov*. Tom I, *Tikhiy Okean* (Voyenizdat, Moscow, 1974), maps showing water temperature at surface and limits of ice cover for each month of the year, pp. 128-139.

Limitations of military glasnost probably prevented Mekhov or Virkovskiy from referring to the most important reason for Russian reluctance to relinquish any territory fronting the Sea of Okhotsk. This is the penetration of that sea by American nuclear-powered attack submarines, which began in 1982[26] and reportedly took place through four straits, the most southerly of which is that between Urup and Etorofu.[27] Their purpose was to track the Soviet SSBNs, an activity potentially destabilising to the strategic balance, concern about which was undoubtedly behind Gorbachev's 1986[28] suggestion of a moratorium on naval operations in some parts of the Pacific basin. It was long-established Soviet/Russian practice not to call attention to adversary actions until some success has been achieved in countering them,[29] so the paucity of specific references to U.S. submarines probably meant that the anti-submarine warfare (ASW) forces had so far not been very successful in tracking them.[30] If, as they did from 1982, U.S. attack submarines could come and go regularly through four passages between Russian-occupied islands, the transfer of the south shore of one passage into Japanese hands could hardly affect the level of threat they pose. The two passages that would come entirely under Japanese control are less suitable for submarines because of curvature and lack of depth[31], as well as being frozen in winter, but even if U.S./Russian *detente* has not ended these incursions, Russian apprehensions could be met by an agreement, similar to the Montreux Convention of 1936 (governing use of the Turkish Straits between the Mediterranean and Black Seas) restricting transits by warships of non-riparian states, reinforced by facilitating continued operation of the sonar barrier, to be discussed below.

Mekhov attempted to refute Japanese invocation of America's return of Okinawa as a precedent Russia should follow, rejecting it as inapplicable because American bases still occupy 20 percent of Okinawa. Perhaps here he scored an "own goal". If the U.S. military needed only 20 percent of Okinawa, did the Russian military really need 100 percent of the Kurils?

General G.V. Batenin, the Russian military contributor to the Allison-Kimura-Sarkisov Report, classified military opposition to returning the Habomais and Shikotan as only one-third the strength of its resistance to ceding Kunashiri and Etorofu.[32] This seems confirmed by Virkovskiy's and Mekhov's total lack of mention of them. That no sonar or long-range surveillance radars were put there implies that the military saw no need for them, or were told not to put them there, because their political masters (as in 1956) envisaged returning them to Japan. It is therefore reasonable to take statements that even tacitly

---

[26] da Cunha, *Soviet Naval Power in the Pacific,* p.90.
[27] ibid., p.73.
[28] M.S. Gorbachev, speech in Vladivostok 28 July 1986.
[29] For example American U2 reconnaissance aircraft regularly overflew the Soviet Union from 1956, but the Soviet government did not publicise their violations until one was shot dow, on 1 May 1960.
[30] Vice-Admiral Yerofeyev, then newly appointed to command the Northern Fleet, claimed that in December 1991-January 1992 a Soviet nuclear submarine had tracked a US SSBN for five days, and broken off only on General Staff orders; the prominence he accorded the claim suggesting it was an unusual feat. US SSBNs, which began regular patrols in the Northern Fleet area in 1961, had been there for over 30 years. *Krasnaya Zvezda,* 3 June 1992, pp.1 -2.
[31] Nishihara, in *Beyond Cold War...*, p.l 1.
[32] Batenin, in *Beyond Cold War...* , p.5.

differentiate between them and the larger islands as more considered than statements that do not.

Kunashiri and Etorofu form the southern end of the chain of islands guarding the SSBN "sanctuary", and returning them to Japan would certainly have some effect on Russia's security. It therefore must be considered *how much* that security would be affected, and what steps would be necessary to maintain it at or above its present level. Here the most obvious point is not military but political. There is currently no universally accepted international frontier in the Sea of Okhotsk, and U.S. warships have occasionally entered it simply to demonstrate the U.S. view that it is "international waters". Demarcation of an agreed frontier would remove one potential source of tension between Japan and Russia.

Detailed information about the seabed sonar barrier is not in the public domain. It is reasonable, however, to assume that it covers the entire island chain, including the passage between Kunashiri and Hokkaido. Its southern end is monitored by a tracking station at Hitokappu Bay on Etorofu, which reports to the main centre at Petropavlovsk. Return of the two large islands would therefore place the southern end of the barrier and its tracking station inside Japanese territory, and this was a major reason for the Russian military to oppose any change. Their objections could be deprived of most of their force by agreement to allow Russia to continue to operate the sonar barrier, receive access to it for maintenance and repairs, and retain the station on Etorofu until it can be moved (possibly to the adjacent island of Urup) or replaced by repeaters to forward its data automatically to Severokurilsk or Petropavlovsk. Movements in these straits can also be monitored by radars and shipbome sonars, and suspicious events be, as they are now, investigated by warships or aircraft based in Sakhalin or Urup, so that a malfunction in the sonar barrier need not create more of a gap in coverage than at present.

Loss of Burevestnik airfield would not cause additional problems for Russian naval reconnaissance/strike aircraft, as they do not use it. However, loss of the early warning radars and interceptor aircraft base would create a gap in coverage. Here also it would be worth considering allowing them to continue functioning until replacements can be built on an island further north. Yeltsin's five-stage plan called for early "demilitarisation" of the islands, but did not define the term. It would help defuse military objections if Japan interpreted it as confined to removal of weapons systems, permitting radars and sonars to remain pro tem. If necessary, military objections could be further blunted by following the precedent of the German/Soviet agreement on German reunification, that permitted Soviet forces to remain for a limited period, and provided financial assistance for their relocation.

A possible naval objection to ceding Etorofu would be the loss of Hitokappu as a dispersal base. It may be doubted whether it is now of much use. The warships intended for it are normally based at Korsakov in Sakhalin, and the major threats to them there would come from south or east, by U.S. carrier-borne aircraft, or from the south, by land-based Japanese or U.S. aircraft from airfields on the Japanese main islands. Dispersing eastwards makes little difference to an attacker from the south, and dispersal towards an attack from the east is

pointless.[33] So maybe the main purpose of moving to Hitokappu was not dispersal, but forward defence. Whether this is possible, given the reduced size of the Russian Navy, or necessary, given the end of the Cold War, is debatable. In the longer term, outcomes depend more on developments in Russia's relations with the USA and Japan than on the Russian military's preferences.

The Russian Navy in the 2000s

In the post-Cold War world navies, the most expensive forces per man employed, are having their expenditures curtailed, and attrition of the Russian Navy is particularly acute, because of coincidence between the block obsolescence of ships built in the Stalin era and the onset of the post-Soviet economic crisis. The effect of this has been to produce a staggeringly rapid rundown in the number of Russian warships. According to Russian figures, 91 submarines and 122 surface warships were scrapped in 1990 alone.[34]

The magnitude of the rundown may be indicated by considering the Pacific Fleet's force of "Major Surface Combatants" (MSCs, ie frigates or larger). At 1 January 1990 there were 73 of these, headed by the *Minsk* and *Novorossiisk*, classified by the Soviet Navy as "heavy aircraft-carrying cruisers".[35] However, that total included 33 ships (of the "Grisha" and "Petya" classes) far too small and weakly armed for any NATO navy to consider comparable ships "frigates", but so reclassified from "corvettes" by NATO in the 1970s. If those are excluded, the Pacific Fleet had 40 MSCs in 1990. By 2001 it had only 10, and its most powerful units, *Minsk* and *Novorossiisk* had been scrapped long before they were life-expired. Its submarine force had also run down, from 136 (77 of them nuclear-powered) in 1990, to only 10 in 2001[36]. A navy so reduced in size inevitably has to cut its commitments.

This has indeed happened. Russian naval doctrine now emphasises defence of home waters, cooperation with other navies in activities such as countering piracy, and refers to only "occasional" visits to areas such as the Indian Ocean. The Northern Fleet defined its area of responsibility as confined to the White and Barents seas. With their longer-range missiles, the SSBNs based at Murmansk do not need to leave the Barents Sea, and the Northern Fleet's task is reduced to preventing NATO forces from penetrating east of the North Cape-Spitzbergen gap to attack the SLBM boats. There is no talk of sorties into the "world ocean", or global-scale exercises such as the "Okean" exercise of 1975, that involved over about 220 ships, including almost 70, in four separate task forces, in the Pacific alone.[37]

---

[33] Data on dispersal taken from da Cunha, *Soviet Naval Power in the Pacific,* p.75.

[34] *Morskoy Sbornik,* No.7, 1992, pp.61-62. According to US sources the Soviet Navy wrote off over 400 ships in 1987-91. *Krasnaya Zvezda,* 8 July 1992.

[35] da Cunha, *Soviet Naval Power in the Pacific,* p.l3.

[36] *The Military Balance 2001-2002,* International Institute of Strategic Studies/Oxford UP, London, 2001, pp.113-6.

[37] da Cunha, *Soviet Naval Power in the Pacific,* p 107. Also article by Kuroyedov, V (then C-in-C Russian Navy) in Nezavisimoye Voyennoye Obozreniye (Independent Military Review) 28 January 2000.

The Naval Balance and Arms Reduction

There is a sense in which the military of adversary countries have long been each others' allies against their own politicians, because the defence spending of each is largely conditioned by that of the other and by the (sometimes excessive) capacity each attributes to the other.

NATO navies, including the U.S. Navy, were already being reduced before the Soviet Union was dissolved, and even where numbers were not reduced, the change in strategic expectations from preparation for global war to crisis management in smaller regional conflicts was likely to change the kinds of ships procured and the areas where they were deployed, taking them away from Russia's borders to areas such as the Eastern Mediterranean and Persian Gulf. Provocative forward deployments, such as those made on occasion into the Sea of Okhotsk, were prone to scaling down or termination as inappropriate to the new international situation, reduced size and changed functions of navies. The general replacement of confrontation by exchanges of visits, already common between Russian and NATO officers in Europe and the United States, has grown from modest beginnings in Northeast Asia into a fairly regular process of mutual confidence-building.

However, the SORT (Strategic Offensive Reductions) Treaty signed in May 2002, and in force from 1 June 2003, is likely to produce even more far-reaching changes.[38] The circumstances that caused the Far Eastern "bastion" to be established have mostly vanished. When the key decisions were taken, probably in the late 1960s,[39] Soviet SLBMs had insufficient range to reach targets in the United States from home waters. Northern Fleet SSBNs would have to go well into the Atlantic to attack targets in North America east of the Great Lakes, and well across the Pacific for targets west of them. It was Petropavlovsk's direct access to the Pacific, not its proximity to the Sea of Okhotsk, that initially caused SSBNs to be based there, though the "sanctuary" concept, of the Barents Sea for the Northern and Sea of Okhotsk for the Pacific Fleet, was certainly already envisaged as the next stage, since construction of the Delta-class SSBNs, capable of carrying the longer-range missiles necessary for the bastion concept, began in 1969. An additional general argument, then favouring more than one "bastion", was that of attacking from different angles. Both superpowers took the prospects for anti-ballistic missile (ABM) systems seriously in the 1960s, and as most missiles then carried only one warhead, it was possible at least in principle that the USA might develop an ABM system capable of

[38] Data on SALT-2 and SORT acquired by using them as search words for US official websites.

[39] Michael MccGwire suggested that the military program that led to the 1970s Soviet build-up was approved by the Communist Party Central Committee in December 1966. The process may not have been that neat, because given a cycle of about ten years between the genesis of a Soviet ship design and completion of the lead ship, the Delta I submarine and missile (SS-N-8) it carried would have to date back to about 1962, i.e. two years before the overthrow of Khrushchev. Similarly the Navy's focus on anti-submarine ships, especially important for protecting the 'bastion', also predates Brezhnev, and some of the designs must date from the late 1950s. However, numbers built, and their integration into overall strategy, certainly stemmed from decisions taken in the early Brezhnev-Kosygin years, so MccGwire was surely right in dating acceptance of the program to this period.

destroying the three to eight warheads that constituted the total launch of the earliest Soviet missile submarines. This increased the strategic attractiveness to the Soviets of ability to launch missiles from different directions, to outflank any ABM system the USA might deploy, or to help make any such deployment too costly for even the USA to contemplate.

Most of these considerations no longer apply. First, longer-range missiles enable SSBNs to attack their targets from home waters. Second, multiple-warheading has increased the number of warheads a Russian submarine can carry from single or low double figures to a theoretical maximum of 180 (Typhoon with 20 SS-N-20 missiles and up to nine warheads each) or 160 (Delta IV with 16 SS-N-23 and up to 10 warheads each), while the number of targets has increased hardly at all. Third, surprise attack therefore becomes less attractive, as even a single surviving enemy SSBN could destroy several of the attacker's main centres. Fourth, the ABM threat did not then materialise, though research continued, especially in the USA, which formally withdrew from the ABM Treaty in June 2002, followed a day later by Russian withdrawal, though both affirmed their adherence to the SORT reductions.

It is doubtful whether an ABM system capable of blunting an all-out attack can be devised at whatever cost. Under the SORT Treaty each side will reduce its offensive nuclear warheads to between 1,700 and 2,200 by the end of 2012. To destroy even the largest city requires only a few warheads. If 2,000 warheads were launched at the 25 largest U.S. or Russian conurbations and military installations (most of which are in or near them), and ABMs destroyed 95 percent of them (a level of effectiveness no weapons system has ever approached), 100, each far more powerful than the two that destroyed Hiroshima and Nagasaki, would reach their targets. In short, the difference between 95 percent success and total failure would be hard to discern. The current U.S. ABM program has been justified as designed to cope only with hypothetical future attack by a "rogue" state, comprising only a few, "primitive" missiles, not equipped with multiple re-entry vehicles (MIRVs), decoys, or warheads capable of evasive manoeuvres, as are those of the nuclear superpowers. Considering the various ways in which a nuclear weapon can be "delivered", it seems clear that the expense of providing ABM protection of the whole USA against a "rogue" state would be far more than that of "delivering" one or a few nuclear missiles; the real defence is U.S. or Russian ability to wipe out any state that did such a thing. The effects of possible ABM systems on the nuclear balance will therefore not be considered further, as their relevance to the Kurils issue is negligible.

At the beginning of the START and SORT reduction processes, the USA possessed about 13,000 nuclear warheads, and the USSR about 11,000. START-1 envisaged reducing these to 6,000 each by the end of 2001, START-2 to the range 3,000-3,500 by the end of 2007, SORT postulates reduction to the range 1,700-2,200 by the end of 2012. Where the Northern Territories dispute is affected is in the proportion of the post-2012 total to be carried in SSBNs. START-2 stipulated not more than 1,700-1,750, ie not more than 50 percent of the total force, but SORT permits each Party to "determine for itself the composition and structure of its strategic offensive arms" within the 1,700-2,200 total. SORT is also "looser" than START, in that it makes no formal provision for verifying compliance, and allows warheads "reduced" to be stored rather than destroyed.

The effect of these factors is that first, Petropavlovsk's main advantage over Murmansk has disappeared; as indicated above, Murmansk-based SSBNs no longer need to transit NATO-controlled waters to reach their firing points. Second, the much-reduced number of warheads permitted under the SORT agreement can be carried by far fewer submarines than were needed when, in the mid-60s, it was decided to have more than one "bastion". Third, with the increased ranges and greater sophistication of the warheads, the need to attack from several different directions is reduced. In 1989 the Soviet Navy had 62 SSBNs, but by mid-2006 the total had fallen to 14, 7 operational, 3 under overhaul, 2 decommissioning, 1 a test-bed for the new Bulava-30 missile, and 1 next-generation undergoing its sea trials. Of these, only four were operational in the Pacific Fleet, all based at Petropavlovsk-Kamchatskiy, and all of the Delta-III class, built between 1976 and 1982.[40] On the assumption of a 30-year hull life, even the newest of these boats will be life-expired by 2012. In fact half the Delta-IIIs have been scrapped already, after lives averaging 25 and ranging from 23 to 28 years, and one of the four Pacific Fleet boats was reported to be decommissioning, the prelude to withdrawal, at the end of June 2006.[41] All 18 Delta-I and all 4 Delta-II boats have also been withdrawn, again without any reaching 30 years of service. So none of the Pacific Fleet's current SSBNs will survive beyond 2012, and perhaps none will survive even until then. The question is whether they will be replaced.

Any attempt at an answer depends on several factors. First is what percentage of the post-2012 SORT-permitted total of warheads will be carried in submarines. Assuming Russia keeps 2,000 warheads,, between one-third and one-half of them in submarines, those carried in SSBNs will number between 700 and 1,000. The next variables are how many missiles one submarine will carry, and how many warheads will be on one missile. The six Delta-IVs, all with the Northern Fleet, were built between 1984 and 1992, so will become life-expired in 2014 -2022.. Each carries 16 SSN-23 missiles, with an average of four warheads per missile, or 64 per boat. Yuriy Dolgorukiy, the first of the new "Borey" class, which will replace the Deltas, began its sea trials in January 2006. It is the first SSBN built in Russia since 1992, and because of financial and technical problems took ten years to complete. The next two of the class are under construction, Aleksandr Nevskiy since March 2004, Vladimir Monomakh since March 2006.[42] The first boat carries 12, the successors will carry 16 of a new missile, "Bulava-30", that began test-launches in September 2005. The head of the bureau that designed it told an interviewer in April 2006 that the missile will be in service in "Yuriy Dolgorukiy" in 2008.[43] It is believed capable of carrying up to six warheads, but is more likely to carry a mixture of warheads of differing yields and decoys, so it is wiser to assume an average of four warheads per missile, requiring 11 SSBNs for 700 warheads, or 16 for 1,000. Given that the Murmansk area hosted 37 SSBNs in the last Soviet years, the Northern Fleet can easily host all the Russian Navy's SSBNs after 2012.

That it is likely to do so derives from several factors. First, developments in missilry up to and including "Bulava" enable all of the USA to be targeted from the

[40] Website http://russianforces.org/navy/ of 29 June 2006.
[41] Ibid.
[42] Ibid.
[43] Bulava-30 is the naval version of the Topol-M ICBM. Novosti Press agency, 20 June 2006, and http://english.pravda.ru 18 July 2006. It is expected to carry four to six warheads. www.missilethreat.com, 21 July 2006.

Barents Sea, so there is no longer a vital requirement for a second "bastion". Second, the Murmansk area is already heavily defended because it contains the main base and headquarters of the Northern Fleet, whereas the current need for heavy defence of Petropavlovsk-Kamchatskiy derives entirely from the presence of four SSBNs, making it the most important target for the U.S. forces in the entire Asia-Pacific. It has no road or rail connection to the rest of Russia, and if the SSBNs were not there would hardly be worth the bother of attacking. Third the expense of defending it is complemented by the high costs of running it. Posting to Kamchatka or the Kurils is unpopular, especially with officers' families, because of isolation, harsh climate and lack of amenities; in Soviet times, and probably still now, service there not only attracted additional "Northern" payment, but counted double for seniority, hence consideration for promotion. Those stationed there would mostly prefer to live in Vladivostok or Murmansk, and it would save the Navy much money to have them do so. In addition, local labor costs are high – in 2004, for example, the average monthly wage was 7,933 rubles in Vladivostok, 10,695 in Murmansk, and 13,890 in Petropavlovsk.[44] The Soviet forces' indifference to costs helped disrupt the socio-economic system, and the Russian armed forces cannot emulate their profligacy. It is unlikely that any of the next generation SSBNs will be sent to the Pacific, but if any are, they will probably be based in Vladivostok which, like Murmansk, is heavily defended because the Fleet headquarters and main base are there, has facilities for more SSBNs than it would be required to house after 2012, and has average wage levels only 57 percent of those at Petropavlovsk.

This carries strong implications for the Northern Territories issue, and creates a "window of opportunity" for Japan. Reversion of the Sea of Okhotsk to its low pre-1978 level of strategic importance will not necessarily dispose of Russian military opposition, but is bound to lower its intensity and the influence it carries with the political decision-makers, especially as Japan would have no reason to remilitarise the islands, and therefore no problem in agreeing not to do so. It could provide a further incentive by reducing its forces stationed in Hokkaido. Finding real estate for relocated units could present problems, since the other main islands are far more densely populated, but they should not be insuperable, and solving them would have considerable symbolic value for Russo-Japanese relations.

Nevertheless, the major incentives Japan can offer are economic. In 2000, in Gross National Income per head, adjusted for Purchasing Power Parity, Sweden and Finland differed by only 2.5 percent, so the standard of living was about the same whichever country has sovereignty over the Alands. whereas Russia's GNI per head was only 30 percent of Japan's.[45] The Kurils are mostly poor, total demilitarisation would make them poorer, so subsidisation to Japanese wage levels would ease the pains of transition. The League of Nations judgment, that gave the Aland Islands to Finland against the wishes of their inhabitants, specifically denied the applicability of self-determination to "fragments" of a nation, but local attitudes in Sakhalin province would

[44] Regiony Rossii 2005, socio-economic indicators of towns, Moscow, Federal State Statistical Service (Rosstat), 2006, pp.128, 349, 361.
[45] World Bank Atlas 2002, p.18.

be bound to have some impact on decisions taken in Moscow. Judging from the local media and websites, they are strongly patriotic, verging on chauvinistic – one of the local newspapers is still entitled "Soviet Sakhalin."

However, two surveys conducted in the 1980s among residents of the actual Southern Kurils showed a large majority favouring cession to Japan, partly, no doubt, in hope of achieving the Japanese standard of living, but mainly because when emergencies arose through storms, earthquakes, food or fuel shortages, relief came far faster and more reliably from Hokkaido than from Yuzhno-Sakhalinsk.

Despite the enormous foreign investment (largely Japanese) in the oil and gas deposits on and offshore of Sakhalin, they have not generated a great deal of local employment – in 2004, against a national average of 8.2 percent, and a Far East average of 8.8 percent, unemployment in Sakhalin province was 7.4 percent, and that it was lower than average at all was probably due mostly to population losses, not job creation. Since 1991 the population of Russia has dropped by 3.8 percent, that of the Far East by 18.2 percent, that of Sakhalin province by 25.9 percent, while the province's "economically active" labour force has fallen by 26.9 percent.[46] There is therefore plenty of scope for Japanese business, but given the attractions of China for manufacturers, and of more affluent markets for sellers of advanced technology such as Japan produces, the Japanese government would need to provide substantial incentives for Japanese businesses to invest in most fields there. The Kuril Islands are among the least developed parts of one of the least developed parts of Russia's least developed region, a Far East valued and subsidised by Tsars and Commissars alike for envisaged military and strategic values, on which it delivered very few dividends. Russia has had a coastline on the Pacific for almost 370 years, is the largest country in Asia, and many Russians cultivate a concept of it as "Eurasian". But in fact it has never become as integral to the Asia-Pacific region as the United States, which acquired a Pacific coastline over 200 years later than Russia, or even Australia and New Zealand, where white settlement did not begin until 150 years or more after the first Russians reached Kamchatka. The main reason for this was its inability or unwillingness to match impressive, sometimes intimidating, military presences with equally impressive, and more generally beneficial, trading relationships. Even when the Soviet Union became a superpower, it became one only in the military sense, and the economic distortions produced by its efforts to equal or outmatch the world's richest and most innovative countries in military terms played a large part in the eventual collapse of its domestic political and international alliance systems. This overemphasis on the military factor was often evident in its relationship with Japan. In 1898, having leased from China the base at Port Arthur and commercial port at Dal'nyy/Dairen that it had compelled Japan to relinquish in 1895, it did not deign to explain to the Japanese that its action was a response to Germany's acquisition of a base at Tsingtao, and Britain's of one at Wei-hai-Wei, and not intended as a threat to Japan. Then, eighty years later, it made an SSBN base at Petropavlovsk-Kamchatskiy, brought a large part of its Pacific Fleet there to protect it, and militarised the Kuril Islands to guard

[46] Regiony Rossii 2005, *socio-economic indicators, Moscow, Federal State Statistical Service (Rosstat), 2006, pp.19-23,113-4, 119-20.*

its Sea of Okhotsk "sanctuary", this time to maintain the strategic balance with the United States. Again this was completely unconnected with the local situation, but once more the Soviet Union did not deign to explain to Japan why it had done so. Instead, argument of the need to retain the Northern Territories was couched solely in terms of the local situation, ie dragged Japan into a scenario that did not involve it, even postulating future aggression by Japan, a country, because of its high population density and experience of nuclear attack in 1945, among those least likely to risk offending a nuclear power by invading it.

Detente and Democracy in Russia

Solution of the political and economic obstacles to return of the territories after implementation of SORT will depend basically upon the preservation and deepening of *detente*. This in turn depends to some extent upon the survival of democracy in Russia. But the connection is very far from absolute. In 1853 the autocrat Nicholas 1 sanctioned Muraviev's annexation of lands at the mouth of the Amur with the dictum that "where the Russian flag has been raised, it must never be lowered". Fourteen years later his son, the autocrat Alexander II, sold Alaska to the United States. The autocrat Stalin, who devoted much of his career to annexations, in 1939 offered Finland twice as much territory north of Lake Ladoga as he had asked it to cede in the Karelian isthmus. The only somewhat less autocratic Khrushchev offered to return the Habomais and Shikotan to Japan, but the possibility of a deal was blocked by the democratic United States. The even less autocratic Gorbachev was unable to make any concession at all during his visit to Japan in 1991, except to acknowledge what his predecessors had denied, that a dispute existed. The democratically elected Yeltsin, who as de facto "Leader of the Opposition" in 1990 advanced a five-stage plan for resolving the territorial dispute, after elevation to President found it necessary to cancel planned visits to Japan in September 1992, and again in mid-1993, presumably because he saw on the one hand no defensible Russian case for retention of the disputed territories, and on the other no possibility of yielding any of them without committing political suicide.

In the twentieth century Russia had the unique experience of losing two empires within one lifetime, and on the second occasion doing so without revolution or defeat in war. With so much of the country already "lost" through secession, and with little about what remains to take pride in except its size, public opinion, less easily ignored or manipulated than in the past, would be hostile to ceding any more, even without chauvinistic outpourings from some political figures; so removal of the main grounds for military objections does not automatically guarantee a settlement that will satisfy Japan.

However, significant progress has been made in many areas since Putin became President, and growth since the crash of 1998 has been impressive. What appears to be a "rolling back" of democracy provides some ground for disquiet, but in a country accustomed to autocracy, and to no doubt about who is in charge, separation of powers is less of an issue than in countries that have had

it for centuries. The form of government most familiar to present-day Russian society is self-perpetuating oligarchy, and while that is anathema to democratic theory, it is far from uncommon in democratic reality.

The implication for the Northern Territories issue is that the prospects of a satisfactory settlement will depend of the then Russian government's perception of the politico-economic advantages and disadvantages to itself of returning versus retaining the Territories, not on what kind of government it is. A strong central government, presiding over a resurgent economy and confident of its ability to handle dissent in a moderately united nation, is more likely to think concessions possible than a weak government, lacking confidence in its chances of overcoming opposition from hyperpatriots in Moscow or the Cossackry, or satraps in Khabarovsk, Vladivostok or Yuzhno-Sakhalinsk. It is preferable that the government in Moscow be both strong and democratic. But the prospects for a settlement depend more on its strength than on its nature.

Cold War in East Asia and the Northern Territories Problem

By Nobuo Shimotomai

This paper traces how the "Northern Territorial Problem" (hereafter NTP) was treated in the context of the Cold War in Asia. Special attention is devoted to the question of why this issue has remained unresolved.

Emergence of this issue is well known. Japan accepted the terms of the Potsdam Declaration and surrendered to the Allied powers in August 1945. The Declaration limited Japan's sovereignty to "Honshu, Hokkaido, Kyushu, Shikoku and such other smaller islands as we determine". The problem was to set a border between Japan and the Soviet Union based on the new political realities, and confirmed by a Peace Treaty.

However, the wartime Alliance had already begun to turn into the Cold War, and an early collision between the USA and USSR took place in East Asia, over Korea and Japan. Thus the international settlement over Japan proved complex and incomplete. By Article 2© of the Peace Treaty, concluded on 8th September 1951, Japan renounced all rights, titles and claims to the Kurile Islands and South Sakhalin, But the treaty did not specify to which country renounced them. The Soviet Union participated in the Peace Conference, but refused to sign the treaty. At the conference, Japanese Prime Minister Shigeru Yoshida emphasized that the southern Kuriles, Kunashiri and Etorofu, had been recognized by Imperial Russia as Japanese territory, while Shikotan islands and the Habomai islets were constituting part of Hokkaido, as part of Japan.[1] More than half a century has passed since then, but still no Peace Treaty has been concluded between Russia and Japan.

Of course, there were several attempts to negotiate. Among others Prime Minister Ichiro Hatoyama negotiated with CPSU First Secretary N. Khrushchev in 1955-56. However, they could not agree on a Peace Treaty, only on a Joint Declaration, under which the two smaller islands, Habomai and Shikotan, would be handed over to Japan when a Peace Treaty was signed. In 1960 the Soviet Union unilaterally revoked the Joint Declaration after Japan signed a New Security Treaty with the USA.

Thereafter the scope of the Kuriles was debated between the two capitals, with the Japanese side maintaining that the Northern Territories were not part of the renounced Kurile Islands. The NTP is generally understood in Japan as a "four-islands problem", as

[1] *San Francisco Kaigi Gijiroku* (Stenographic Record of the San Francisco Conference), Japan Gaimusho, 1951, p.302-03.

in the Tokyo Declaration, signed by President Boris Yeltsin and Prime Minister Morihiro Hosokawa in October 1993.

Many researchers have paid serious attention to the NTP.[2] However, most focus on the bilateral relations between Japan and the USSR (after 1991 the Russian Federation), with, at most, some consideration given to the positions and policies of the USA and UK, the principal drafters of the Peace Treaty. Thus, our notion of the NTP still remains on the level of bilateral geopolitical discourse.

The Cold War factor was, of course, not neglected, and remained an important, but peripheral factor, being generally understood by analysts as an ideological and geopolitical contest between the USA and USSR, in which Europe occupied center stage, and Asia was considered the secondary front. The Cold War did not create the NTP, but greatly influenced its content and development. Without understanding the notion of the Asian Cold War and its implications for the NTP, one cannot understand the origin, process, and possible solution of this problem.

The Asian Cold War had specific features. In contrast to Europe, where a bipolar system emerged and remained fixed after the formation of NATO in 1949 and the Warsaw Pact in 1956, the Asian theater witnessed drastic transformations, with "national liberation movements, decolonization, civil wars and even revolutions taking place, culminating in the birth of the People's Republic of China (PRC) in October 1949, and in June 1950 Communist North Korea's invasion of South Korea. The Korean War prevented Japan from settling the Peace Treaty with all the parties concerned.

The San Francisco Peace Treaty left territorial issues with China, USSR and the Koreas unresolved. The end of the Korean War and advent of Khrushchev's peaceful coexistence' strategy gave an impetus for smoothing the Asian political climate. However, the end of hot war had triggered the real Cold War, both domestic and international. The domestic Cold War was as severe in Japan as elsewhere, and a factional struggle within the new-born Liberal Democratic Party (LDP) and the Foreign Ministry (Gaimusho) was fought over this issue. Moscow, too, as will be shown, was also divided, tough to a lesser degree. Thus the Peace Treaty with the USSR was aborted, and has still not been concluded.

[2] Hiroshi Kimura, *Distant Neighbors: Japanese-Russian Relations Under Brezhnev and Andropov/Japanese-Russian Relations Under Gorbachev and Yeltsin (Distant Neighbors),* M E Sharpe, 2001; Haruki Wada, *Hoppo ryoudo mondai*, Asahi Shimbun-sha,1999; Tsuyoshi Hasegawa, *Hoppo ryodo mondai to nichiro kankei*, Chikuma-shobo, 2000; Akihiro Iwashita, *Hoppo ryodo - 4 demo 0 demo 2 demo naku (neither, 4, 0, nor 2),* Chuokoron-shinsho, 2005.

The Origins of the NTP in Post War-Asia

People tend to believe the NTP issue emerged only after the allied leaders' meeting at Yalta in January-February 1945, and consequent Soviet military occupation of the Kuriles, Roosevelt and Churchill conceding Stalin's claim as part of the price for Soviet entry into the war against Japan. However, closer inquiry shows that the issue was deeper and more complex, and predated the U.S.-UK-USSR alliance, originating in prewar geopolitical games between Moscow and Tokyo during 1939-1941. This was the period following replacement of M. Litvinov as People's Commissar (Minister) for Foreign Affairs by V. Molotov, whose geopolitical thinking had already been demonstrated by the Molotov-Ribbentrop Pact of August 1939.

It was Molotov who raised the Kuriles issue in 1940, and hinted at their possible accession to the Soviet Union during the abortive negotiations with Japan for a Non-Aggression Pact.[3] In his comments on a Japanese draft in November 1940, he linked conclusion of a Non-Aggression Pact to the "return of formerly lost territories of Southern Sakharin and the Kuriles".[4] Molotov's comment reveals that he did not know, or chose to forget, that the "Northern Territories" had never belonged to Russia. Japan naturally rejected the claim, and in April 1941 A Neutrality Pact was agreed instead. The Kuriles became a latent issue of bilateral relations between Tokyo and Moscow.

Soviet foreign policy was motivated not only by ideology, but also by geopolitical thinking, not confined to the "inflexible Molotov", but shared by "pro-western" diplomats such as deputy foreign ministers S. Lozovsky and I. Maisky. In December 1941, just after the Pearl Harbor attack, Lozovsky noted the possibility of revising the whole Soviet border after defeating the Axis powers. He especially suggested that the USSR should not permit a post-war situation where "Japanese warships divide the Pacific Ocean from our ports", particularly mentioning the Kuriles straits.[5] In January 1944 Deputy Minister Maisky submitted a committee report "On the Desirable Future World". It focused mainly on Europe, with only scant reference to Asia, and recommended that the Soviet Union not participate in the war against Japan. However, it strongly recommended changing the border with Japan, calling for Southern Sakharin (taken from Russia in 1905) to be "returned", and the Kuriles (ceded to Japan by the Treaty in 1875) "transferred to us".[6] Thus the "Yalta solution" was incubated a year before in Moscow.

---

[3] A. M. Aleksandrov-Agentov, *Ot Kollontai do Gorbacheva*, M.,1994, p.54. Agentov argued this approach as 'cynical bargain with the class-enemies'.

[4] S. L. Tikhvinskii, *Vek Stremitelinykh peremen*, M., 2005, p.269.

[5] Lozovsky's idea was put to both Stalin and Molotov prior to the visit of UK Foreign Minister Eden. The Soviet politburo set up two commissions for the post war Peace treaty and world configuration by the beginning of 1942 (*Istochnik: Dokumenty russkoi istorii*, No. 4, 1995, p.114-5).

[6] Ibid., p.125, 133; Sovetskii Faktor v vostochnoi Evrope 1944-1953, t.1, 1944-1948, Dokumenty, M., 1999, 20, 35.

The Japanese also made geopolitical calculations. Confronted with the defeat of Germany, the Japanese leadership sought Soviet mediation. The Neutrality Pact was still in force until April 1946, though Molotov had notified Ambassador Sato on 5th April 1945 that it would not be renewed.[7] For action by Stalin, the Japanese leadership was prepared to cede the "Northern Kuriles."[8] However, this maneuver proved in vain; the Soviet Union declared war on Japan in accordance with the Yalta Agreement.

Conflicting view over the occupation of Japan were already manifested in President Truman's directive No.1, issued on 15th August. The USA was to occupy mainland Japan, the Soviet Union only Southern Sakhalin; the Kurile islands were not even mentioned. The next day Stalin asked for an occupation zone in Northern Hokkaido, and received a flat refusal. Thus, conflicts emerged among the former allies over the occupation of Japan, especially over the Kurile Islands. A Russian contemporary historian also believes that conflicts among the former allies over Japan and China emerged at that time.[9] By October 1945, Stalin had become hostile towards the USA over such issues as control over Japan and Korea. The meeting of Three Foreign Ministers in Moscow, December 1945, marked the transition from alliance to confrontation.

The Korean War, San Francisco Treaty and the NTP

It was in an intensifying climate of Cold War, and of proxy hot war in Korea, that the Japanese Peace Treaty was concluded at San Francisco in September 1951. The Soviet Union sent a delegation to San Francisco, but refused to sign the treaty, mainly because the Chinese People's Republic was not invited to the Peace Conference.[10] In the intensifying war climate, the Japanese Communist Party also asked the USSR not to sign the Treaty.[11]

The Eastern bloc countries' negative attitude towards the Treaty also related to some specific features of it. In Article 2, for example, Japan renounced its right, title and claim to six territories, including the Kurile Islands, but it was not stated to which countries it renounced them. This was investigated by Professor Kimie Hara and other researchers.[12] Some see it as a "trap" laid by John Foster Dulles, principal drafter of the

---

[7] B. N. Slavinskii, *Pakt o Neitralitete mezhdu SSSR i Yaponiei:diplomaticheskaya istoriya, 1941-45gg.* M, 1995, p.304.

[8] *20 Seiki no nakano ajia taiheiyo senso*, vol.8, 2006, p.70. Article by N. Toyoshita; Tsuyoshi Hasegawa, *Hoppo ryodo mondai to nichirokankei*, 2000, p.42.

[9] *Ocherki Istorii Ministerstva Inostrannykh del Rossii*, t.2, M., 2002, p.333.

[10] M.Kapitsa, *Na raznikh pararellyakh*, M.1996, p.125.

[11] Nobuo Shimotomai, *Asia reisenshi (A history of Cold War in Asia)*, Chuokoron-shinsho, 2004.

[12] Kimie Hara, *Sanfuranshisuko heiwa joyaku no moten: ajia taiheiyo chiiki no reisen to 'sengo mikaiketsu no shomondai' (Blind spots of the San Francisco Peace Treaty: Cold War in the Asia-Pacific region and the 'unresolved problems since World War II'),* Keisui-sha, 2005.

Treaty and architect of the conference, to perpetuate Japan's security dependency on the USA, by maintaining discord with its neighbors, especially the Soviet Union.

Opinions over the Taiwan issue were also divided, because the UK recognized Beijing's Communist government, while the USA was committed to Chang Kai-shek's Kuomintang. The Korean War which broke out on 25th June 1950, effectively converted Japan in US eyes from a defeated enemy to an important regional ally. The San Francisco settlements including the security treaty were generous enough in terms of economic reparations to enable Japan to concentrate on economic recovery. Meanwhile, Stalin was stuck with the continuing Korean War until his death in March 1953.

Negotiation in Bipolarity (1955 - 72)

In the Cold War, the NTP fell into the pitfall of rivalry-engendered zero-sum gaming. Still, there were several attempts to solve this issue. Historically speaking, the post-Stalin detente made it possible, especially for Moscow's leaders to change the stance on this problem.

Post-Stalin leaders principally Khrushchev, inaugurated a new approach towards the outside world. A new arena of maneuver was expected in East Asia, as Stalin's belief in the ultimate inevitability of War between the Communist and capitalist worlds was replaced under Khrushchev's "Peaceful coexistence".

Bipolarity also meant conflicting domestic views about relations with the USSR, especially in Japan, where the Yoshida-faction of the Liberal Democratic Party (LDP), new-born in December 1955, opposed the Hatoyama-Kono faction's new approach toward reconciliation with the USSR.

In October 1954 Khrushchev visited Beijing to discuss the new policy of "Peaceful Coexistence" in Asia with Mao Zedong, and they issued a joint declaration, in which both showed intent to normalize relations with Japan.

In January 1955 a less known Soviet bureaucrat A. Domnitsky visited Hatoyama in person. This initiative was followed by a concerted approach of the Asian socialist countries to normalize their relations with Japan. Even DPRK foreign minister Nam Il, a Soviet Korean by origin, expressed such intent in a statement of 25 February 1955.[13]

The negotiation process itself is well documented by Professor Takahiko Tanaka and other researchers as well as by memoirs including those of plenipotentiary Shunichi

[13] Nobuo Shimotomai, *Mosukuwa to Kim Nissei* (Mosocow and Kim Il Sung), Iwanami, 2006, p.159.

Matsumoto and journalist Masaaki Kubota.[14] Initially Khrushchev in August 1955 hinted at possible return of the smaller islands, the Habomais and Shikotan, to Japan. Japan's position was relatively flexible, when negotiation took place in London,[15] As Matsumoto himself was inclined towards concluding a Peace Treaty on those terms. However, this provoked a chain-reaction within the Japanese elites, and Tokyo began to escalate its conditions, was a typical domestic Cold War phenomenon.

The term "Northern Territories Problem", forgotten for several years, came suddenly back into usage, when Takezo Shimoda, Director of Treaty Affairs Division of the Gaimusho, used it at a National Diet discussion on 10th March 1956. [16] His superior, Foreign Minister and former diplomat Mamoru Shigemitsu was anxious to control the negotiation process, as domestic politics mattered, and began a new round of negotiations with Moscow in 1956 by demanding resolution on a "Four Islands" basis. Encountering tough resistance from Moscow, Shigemitsu changed the mind and in August 1956 favored concluding a Peace Treaty with return only of Habomai and Shikotan. However, cabinet rejected his proposal.

Here Cold War logic intruded. On 7th September 1956 Dulles told Shigemitsu that if Japan concluded a Peace Treaty involving return of only the two smaller islands, the USA might not return Okinawa. [17]

According to a declassified CPSU document on Japanese politics, one week before Prime Minister Hatoyama's visit in October 1956, the Soviet Foreign Ministry reported that "a group of members of parliament led by H. Ikeda" was vocal against rapprochement with Moscow, though some, including the Kansai business circle, favored promoting relations with the communist bloc. [18] The Cold War zero-sum game reached its apogee, and Hatoyama decided to go to Moscow to sign only a Joint Declaration. Several documents about this have been published in both Russia and Japan. Among others, part of the 16-18th October 1956 negotiation document was published in 1996 in Moscow.[19] A discrepancy exists between the Russian version, which does not included the phrase "including the territorial issue" after "negotiation of the Peace treaty" though it is included in the Japanese version, made public in March 2005 by Mr. T. Ishikawa,

[14]Takahiko Tanaka, *Nisso kokko kaifuku no shiteki kenkyuu*, Yuhikaku, 1995.
[15] Masaaki Kubota, *Kuremurin eno shisetsu – hoppo ryodo kosho 1955-1983*, Bungeishunju-sha, 1983, pp.32-34.
[16] Takezo Shimoda was perhaps the key person to formulate the term 'NTP' under Shigemitsu's tutelage. He was later appointed Head of the Gaimusho, Ambassador to Washington, and a Judge of the Supreme Court.
[17]Takahiko Tanaka, *ibid.* p.266. Meanwhile, the UK government was supportive of the USSR, though she did not intervene.
[18] Russsian Gosudarstvenniy Arkhiv Rossiskoi Federatsii, Fond 5,opis, 28, delo 414, pp.91-216. Report to CPSU Presidium members by Foreign Ministry Information Department, Oct. 8,1956.
[19]*Istochnik,* No.6, 1996. p.116.

former secretary to Ichiro Kono, from his private archive.[20] There was a discernible difference of opinion between, on the one hand, Prime Minister Bulganin and Foreign Minister A.Gromyko, who included the phrase, and on the other Khrushchev, who insisted on its removal.

In fact, differences of opinion among the Soviet elites were strongly felt. In his memoirs Khrushchev criticized "Stalin's failure" to sign the treaty. Gromyko also criticized Molotov at the June CPSU party plenum of 1957 for opposing the move toward Japan.[21] It is arguable that Khrushchev's reformist line met covert resistance from the Nomenklature elite. One of the negotiators at that time, Academician S. Tikhvinskii criticizes Khrushchev's "voluntarism" Khrushchev to this day.[22] I attribute the differences to the fact that in October 1956 Khrushchev was facing the repercussions of his de-Stalinization campaign, with mass revolts in Poland and Hungary, and in North Korea a crisis over Kim IL Sung's work style and personality cult; and Kovyzhenko, head of the Japan desk in the International department of the CPSU, had also to watch over the North Korean situation.[23]

Their absence from the 19th October ceremony for signing the Joint Declaration, enabled Japan to exploit the differences of pinion between Khrushchev and Bulganin-Gromyko.[24] Japanese plenipotentiary Matsumoto obtained Bulganin's agreement to simultaneously make public the Gromyko-Matsumoto letter, which included the phrase "Peace negotiations including the territorial issue" (My underlining).[25]

In 1960, Prime Minister Nobusuke Kishi chose closer alignment with the USA by revised security treaty. The USSR then unilaterally revoked the Joint Declaration, thus further alienating Japan.

---

[20] Originally made by Japanese official translator Noguchi for Ichiro Kono. Printed in *Sakuradakai seijikisha OB Kaiho* in March 2005. Asahi Shimbun, 15 March 2005.

[21] Molotov, Malenkov, Kaganovich. 1957, *stenogramma iun'skogo plenuma TsK KPSS I drugie documenty*, M., 1998, p.231. Molotov refuted this statement. The foreign ministry members of the CPSU central committee, including ambassadors to China (Yudin) and DPRK (Puzanov) stated that 'Class-enemies like Molotov, Kaganovich and Malenkov' were against the reconciliatory posture towards Germany and Japan (p.595), though Malenkov seemed reformist.

[22] S. L. Tikhvinskii, *Diplomatiya: issledovaniya i vospominaniya*, M., 2001, p.155. Tikhvinskii was Matsumoto's counterpart in London. He argued that Khrushchev's new line in the London negotiations was 'voluntarism'. However, he somewhat changed his position in 2006, when he criticized Khrushchev, not for raising the issue of two smaller islands, but for revoking the 1956 Declaration in 1960 (Interview in *Kyodo* and others, 18 October 2006). Apparently he changed his position because of President Putin's new policy.

[23] Nobuo Shimotomai, *Moscow to Kim Il Sung*, Iwanami, 2006; A. Lankov, *From Stalin to Kim Il Sung*, Rutgers, 2002, pp.154-93.

[24] Nobuo Shimotomai, *Moscow under Stalinist rule (1931-1934)*, MacMillan, 1991.

[25] Takahiko Tanaka, *ibid*, p.302; Shunichi Matsumoto, *Mosukuwani kaeru hashi*, Asahi Shimbun, 1966, p.150,

Under the pro-American Ikeda government in 1961, a new concept was formulated, claiming that the disputed islands did not belong to the Kurile chain. In other words, the NTP began to be used not as a concept for a diplomatic solution, but as a propaganda tool for arousing anti-Soviet sentiments among the Japanese masses. [26]

Negotiation on NTP under détente

Only a global change of the world's configuration could alter the "correlation of forces" between Tokyo and Moscow. However, by the 1970s, the bipolar Cold War system was becoming more multilateral, with the economic rise of Japan and the European Community, and, more dynamic in the Asian context, the US-Chinese détente in 1972, that gave the Asian Cold War a new dimension. It shocked the Soviet elites, and they began to reassess Japan. The rise in China's profile and consequent Sino-Soviet rivalry provided another window of opportunity for approaching the NTP issue.

Moscow wanted to counter the US-China rapprochement by approaching Japan as an emerging economic power. Dr.S.Vassiliuk asserts that Japan and the USSR had common interests: China and oil, [27] and Japan also badly needed Siberian energy resources following the "oil shock". A range of negotiations ensued between Moscow and Tokyo, beginning with Gromyko's visit to Tokyo in January 1972, a month before Nixon's visit to China, and culminating in Prime Minister Kakuei Tanaka's visit to Moscow in October 1973.

During Gromyko's visit he not only smiled, but avoided the usual Soviet practice of describing the NTP as "a problem already solved". In his discussion with Prime Minister Eisaku Sato on 27th January, he hinted at possible return to the "1956 formula". According to the memoirs of M. Kapitsa, Premier E. Sato was silent on this, but hinted at possible Japanese aid for the projected Irkutsk-Nahotka oil pipeline.

Chinese Prime Minister Zhou Enlai also supported Japan's "just" demand for the return of the Northern Territories, and China continued to do so throughout the 1970s. Moscow could not prevent Japan normalizing its relations with China in October 1972, but Soviet diplomats saw that Japan did not want to go further than that. Foreign Minister Masayoshi Ohira's visit to Moscow in October 1973 also demonstrated that the Japan-China relationship had no secret agendas, and that Soviet-Japanese relations were independent of it.

---

[26] Wada, *ibid*. p.275.

[27] Svetlana Vassiliuk, *Energy Politics in Japanese-Soviet/Russian Relations:From Cooperation in the 1970s to Cautious Engagement in the 1990s.* A dissertation submitted to Hosei university. 28 September 2005.

The high point in the Japan-Soviet detente came in October 1973, when General Secretary Leonid Brezhnev and Prime Minister Tanaka agreed that there were "unsettled problems from the end of the war" and, according to M. Kapitsa, resolved to continue to work to conclude a Peace Treaty in 1974. However, nothing came of it, and mutual misunderstanding even widened after that, Tanaka insisting that the "unsolved problem(s)" involved four islands, while Brezhnev and his cohort argued otherwise.

In 1974 the Lockheed scandal forced Tanaka to resign, and he was replaced by Takeo Miki in 1974. The LDP dissident Miki also wanted to solve the issue, but his government proved weak and divided, and Takeo Fukuda was appointed leader in December 1976.

Fukuda's new foreign policy was called multi-directional, or omni-oriented. It aimed to use economic leverage to achieve foreign policy objectives. China and ASEAN were natural targets, and so was the USSR. However, although economic cooperation expanded, political relations proved tangled. By 1978 Sino-Soviet relations were so bad that China sought inclusion of an anti-hegemony (anti-Soviet) clause in a Japan–China Treaty, while the Soviet Union proposed to conclude a Treaty of Friendship and Cooperation instead of a Peace Treaty.

Japanese opinion favored a Treaty with dynamic and reformist China, rather than with the gerontocratic and stagnating USSR. Japanese business was more interested in the Chinese than in the Soviet market, and business successes reduced the need for Soviet energy supplies. Thus the chance, however unpromising, was lost, and the cautious optimism apparent at the beginning of the 1970s had given way to pessimism by their end. The Soviet intervention in Afghanistan in 1979 gave a final blow to Soviet-Japan relations.

From 1981 7th February (the day the 1855 Treaty of Shimoda was signed) has been observed as "Northern territories day" to remind the Japanese of the Russian occupation, however dim, the possibility of solving the issue.

Perestroika and the End of the USSR

Perestroika gave a new chance for improving Soviet-Japanese relations between 1985 and 1991. Its initiator, Mikhail Gorbachev, became more popular in Japan than in his own country, and mutual perceptions changed dramatically. Policy toward the Soviet Union became openly and broadly debated in Japan; yet both sides failed to settle the "unresolved question." [28]

[28] Aleksandr Panov, *Ot nedoveriya k doveriyu (Japanese edition*), Saimaru, 1992, p.16; Sumio Edamura, *Teikoku hokai zengo*, Toshi-shuppan, 1997.

For the Soviets the territorial issue until 1985 was a theme of sporadic geopolitical games, that only the General Secretary and his advisers could play. In the Cold War days the "territorial issue" might have been solved rather easily, once the General Secretary made up his mind, as domestic political backlash was unlikely. By 1991, however, not even the most popular and seemingly powerful Kremlin leader could solve it. Perestroika on the other hand produced an unprecedented chance, but on the other hand diminished the possibilities for exploiting it. [29]

In the first stage, 1985-88, the initial movement for Perestroika had an impact on Japan-Soviet relations, but was followed by silence on both capitals. In the second stage 1989-91, the first official visit by Soviet President Gorbachev to Japan became the agenda and focus for both sides, and heightened expectations, though, in fact, it was too late for Gorbachev to commit to the issue seriously.

The "stagnation period" in Soviet-Japanese relations left an enormous legacy in both countries. After Tanaka's visit in 1973, no top Japanese decision-maker visited Moscow for almost twenty-five years, until Prime Minister Keizo Obuchi's visit in 1998. Between 1985 and 1991, Yasuhiro Nakasone was the only Prime Minister with some notion, experiences and contacts with the Soviet Union.

Mr. Sosuke Uno was Foreign Minister in the Noboru Takeshita government and under his leadership the Gaimusho proposed a new idea, of "extended equilibrium."

Japanese Foreign Ministers have little impact on foreign policy, because their tenure of the post is usually short; all the important decisions are prepared and de-facto made by the Foreign Ministry apparatus. Shintaro Abe even wielded influence even after his formal departure from the post, until illness curtailed his role. [30] This will be discussed later.

The initial Japanese reaction to Gorbachev's advent as top Soviet leader was indifference. Prime Minister Nakasone himself was an exception, in going to Moscow for the funeral of Gorbachev's predecessor, Konstantin Chernenko, in March 1985. Foreign Minister E. Shevardnadze visited Tokyo in January 1986 and gave some signs of change. In that period Gorbachev made several important policy changes on domestic and international affairs, including a historic speech at Vladivostok in July 1986, and behind the scenes Shevardnadze boldly proposed "Going back to 1956" i.e. acknowledging the territorial issue and returning Habomai and Shikotan. However, Gromyko criticized Shevardnadze's position, and Gorbachev did not support it. [31]

---

[29] Gilbert Rozman, *The Japanese Response to Gorbachev's Challenge*, Princeton, 1992.
[30] J.Goodby, V. Ivanov and N. Shimotomai, *"Northern Territories" and Beyond,* Praeger, 1995, pp.83-91.
[31] I. Kovalenko, *ibid*., p.209.

1987 only highlighted the widening gap between the two capitals. A proposed visit by Gorbachev was postponed, and even visits by the Foreign Minister became rare. This resulted in A "wait and see" approach by the Gaimusho. In his recent work former Gaimusho specialist, Kazuhiko Togo pointed out that some forces hindered the deepening of Japan-Soviet relations. [32]

In 1989-91, a new phase arouse in both capitals. Despite the stalemate in high-level intercourse, an initiative surfaced from the academic level, a new phenomenon in Soviet policy-making. In June-July 1988 several scholars made public their novel ideas and fresh views on bilateral relations. By 1990 their position became more optimistic, and they formulated arithmetical theories from "two plus alpha" (G. Kunadze), To three (V. Zaitsev) and eventually four islands (A. Zagorskii).

A striking factor was that the numbers of the academic analysts in both countries began to increase, supplementing, though not usurping, the dominant role of the Ministries. Concepts and wording also changed. By the end of 1989, both sides were moving toward a positive-sum game. This was a delayed reaction to the radical changes of perception in the West and the beginning of the end of Cold War by the collapse of Eastern Europe's communist regimes.

On the Japanese side, the ruling party, LDP, began to play a role, due to an initiative of Shevardnadze, who in January 1989 proposed party-to-party contacts to LDP General Secretary Abe. Abe's new agenda was to scale down the "territorial issue" and broaden the scope of Soviet-Japanese relations. In his talk with Gorbachev in January 1990, Abe even avoided the term "territorial issue" and proposed to solve "headache problems with wisdom", an approach highly appreciated by Gorbachev.

This diversification of Japanese political actors corresponded with pluralization of Soviet actors. Boris Yeltsin, leader of the radical opposition in the Supreme Soviet, came to Japan in January 1990 and proposed a "Five stage solution". Though interpreted as a tactical maneuver, it was in fact a manifestation of new political forces, which grew rapidly, and by the beginning of 1991 had become a real threat to Gorbachev and the Soviet leadership.

Abe died suddenly, but his successor, Ichiro Ozawa, followed his approach to the Soviet Union. In April 1990 his mentor, Shin Kanamaru, dared to speak of return of only two islands. Ozawa coupled the territorial issue with other issues such as economic cooperation. His idea was not an naïve plan to "buy the islands by economic means" as critics would say later. [33] In short, it was a plan for "Japanese economic cooperation in

[32] Kazuhiko Togo, *Nitiro kankeito heiwa jyoyaku kousho,* manuscript.
[33] M. Gorbachev, *Zhizni i reformy*, kn.2, 1995, p.264; A.Kozyrev,*Preobrazhenie,* p.295.

return for Soviet political initiatives." This approach was indirectly echoed in Shatalin's "500 days" program for economic reform in summer 1990. By the middle of 1990 both began to share a cautious optimism.

Meanwhile, the Asian Cold War also began to melt down. This was demonstrated not only by rapprochement between Beijing and Moscow, but more drastically by Soviet recognition of South Korea after the Seoul Olympics of 1988. This considerably eased the Cold War tensions in the Korean peninsula. [34]

However, the political climate in Moscow had shifted again by fall 1990. Gorbachev's power was lost. The CPSU's reign was over, but the presidential system did not function well as its replacement. This tendency was also felt in the foreign policy. Instead of a once powerful and united Politburo, amorphous structures began to emerge by 1990. [35] Their interaction and pattern was ad hoc and not well-coordinated. Former foreign minister Kozyrev's memoirs emphasized this phenomenon with regard to the "Japan problem" in 1990-93.

As more and more "Sovereign Republics" were proclaimed, collapse of the USSR seemed possible. Relations between Gorbachev and Yeltsin became complicated. Gorbachev had to cope with two oppositions. One a growing "Soviet statist" opposition among his advisors, the other a "Republican democratic" opposition. Although Gorbachev described his policy as a "middle course", by February 1991 he was in open conflict with Yeltsin's radical approach. Reactionary-conservative tendencies became strong within Gorbachev's cabinet, and this made it impossible for him to take any substantial initiative on behalf of the Soviet leadership. Russian foreign policy experts like Kozyrev and Kunadze were openly against Gorbachev's initiative with regard to Japan.

On the Japanese side, the increasing number of actors was exemplified, above all, by Ozawa's visit to Moscow in March 1991, in which he bluntly proposed "massive economic aid in return for the islands", which simply was counterproductive.

Gorbachev's official visit to Japan in April turned out important, but less substantial than expected. Gorbachev did open the history of the two countries; he offered lists of Japanese Prisoners of War and other detainees who died in Siberia, and agreed to visa-free visits to the northern territories by former residents. The two sides also agreed to continue Peace Treaty discussion, using "positive elements of former agreements", and openly discussed the applicability of the 1956 declaration and relations

[34] DPRK was unhappy with the cross-recognition between ROK and USSR and ,two years later, by Beijing. Kim Yonnam, DPRK foreign minister, refuting Shevarnadze's willingness to recognize the ROK, hinted that the DPRK would support Japan's quest for the NTP (Nobuo Shimotomai, *Ajia reisenshi*, 2004, p.160).
[35] Ye. Ligachev, *Zagadka Gorbacheva*,1992, p4.; V. Klyutikov, *Lichnoe delo*, 1996.

between the Kuriles and “four islands”. That is how matters stood when following the failed August coup against Gorbachev, the presidents of Russia, Ukraine and Belarus in December 1991 unilaterally declared the Soviet Union dissolved.

Consequences of the Russo-Japanese War in East Asia: The Portsmouth Conference and the Establishment of a New World Order[1]

by Tosh Minohara

Introduction

The industrial revolution unleashed the full wrath of the Western powers upon those countries that had reacted slowly to modernization, and East Asia was no exception. By the late 19th century, the imperial powers of Great Britain, France, Germany and Russia had divided East Asia, like Africa, into their respective spheres of influence.[2] Japan would have been destined to share the same fate, had it not ended its closed-door policy (*sakoku*) and embarked upon a path of emulating the West. Japan was also fortunate that the country that opened her doors to the world was the United States, a nation with no interest in colonizing Japan. Thus, despite having to endure the shame and burden of the so-called unequal treaties, Japan was largely successful in her quest for modernization, and as a result was able to deflect the brunt of Western imperialism.

However, this by no means assured Japan's continued survival. The struggle for primacy in East Asia was an active and bitter contest among the powers, but Russia gradually emerged as the most expansionist force in the region. This Russian ambition manifested itself in May 1891 with the beginning of the construction of the Trans-Siberian railway that provided it with the impetus and the means to expand eastward. Quite naturally, from the perspective of Japan, this posed a grave threat to its national security and thus made the Korean peninsula a crucial buffer zone that was necessary to deflect the Russian menace.[3]

It was the control over this peninsula – the dagger pointed at the heart of Japan – that led to the preemptive strike by Japan on China, culminating into the 1894 Sino-

---

[1] This is a revised and abridged version of an article titled, "War, Peace and Diplomacy: The Russo-Japanese War and the Emergence of a New Power in Asia," *The Stockholm Journal of East Asian Studies* 16 (2006). The author would like to thank Geoffrey Jukes, Australia National University, for his invaluable comments, which have been reflected in this version.

[2] The Netherlands, Spain and Portugal also maintained spheres of influence, but by the 19th century their power had declined significantly. See William L. Langer, *The Diplomacy of Imperialism, 1890-1902* (New York: Knopf, 1965).

[3] For further details see, Seung-young Kim, "Russo-Japanese Rivalry over Korean Buffer at the Beginning of the 20th Century and its Implications," *Diplomacy and Statecraft* 16 (2005), 619-650. The Japanese viewed Russia as the greatest national security threat from March 1890. Ibid, p. 621.

Japanese War.[4] Although the war ended with the decisive defeat of China, thus assuring Japan a secure foothold in the southern half of Korea, unfortunately for Japan, the victory was bittersweet as on its heels followed the 1895 Triple Intervention initiated by Russia, Germany and France. The three powers forced Japan to relinquish the newly acquired Liaotung Peninsula, which was then leased to the Russians to the utter dismay of Japan. This traumatic experience in the game of imperial power play forced Japan's leaders to recognize that in a dog-eat-dog international environment, it was at the mercy of the powers until it possessed the strength to counter the threat that they posed. Undoubtedly, this served to further reinforce the urgency of the Meiji government's "wealthy nation, strong military (*fukokukyohei*)" policy.

In the meantime, however, Russia's rapid expansion in the region showed no signs of abating.[5] In order to accommodate further Russian encroachments in Southern Manchuria, while at the same time avoiding a head-on collision, in May 1896, the Komura-Weber Memorandum was signed by both countries, soon followed by the Yamagata-Lobanov Agreement in June. The aim of the two conventions was ostensibly to maintain an independent Korea, but in reality, it merely assured that both sides would not establish a dominant position on the peninsula. During the negotiations of the Yamagata-Lobanov convention, Japan proposed a line of demarcation across the 39th parallel, but the Russians rejected this outright.

However, a mere two years later, the Russians, distracted by their further involvement in Manchuria, decided to compromise on Korea for the first time, and acknowledged Japan's superior commercial position in the 1898 Nishi-Rosen Agreement. By this time, the prevailing opinion within Tokyo was that Japan should strike a deal that would allow Manchuria to become part of the Russian sphere of influence, in exchange for sole dominance over Korea. This policy was referred to as the Manchuria-Korea Exchange argument (*Mankankokanron*). However, the Russians were not as yet prepared to entertain such a proposal.

Thus, with St. Petersburg making increasingly unrealistic demands upon Tokyo, while steadfastly ignoring its promise to withdraw troops from Southern Manchuria in the aftermath of the Boxer Rebellion, Japan's leaders were forced into a difficult position that led to the formation of two opposing foreign policy paths.[6] The first, supported by the

[4] A classic study is Seizaburo Shinobu, *Nishinsenso* [The Sino-Japanese Warr (Tokyo: Nansosha, 1970 [reprint]).

[5] Seung-Young Kim, "Managing the Korea Buffer: Great Power Competition over China, from the Late 19th Century until Today," *The Stockholm Journal of East Asian Studies* 15 (2005), p. 3.

[6] For a detailed study see Yastutoshi Teramoto, *Nichirosensoigo no nihongaiko* [Japanese Foreign Policy after the Russo-Japanese War] (Tokyo: Shinzansha Shuppan, 1999) and Yukio Ito, *Rikkenkokka to nichirosenso, 1898-1905* [The Constitutional Government and the Russo-Japanese War] (Tokyo: Bokutakusha, 2000).

genro's Ito Hirobumi and Yamagata Aritomo, believed that war with a much larger and powerful nation such as Russia verged on suicide, and that Japan needed to make compromises and further accommodate Russian demands in order to avoid a military confrontation. On the other hand, the second path gained the support of a new generation of Japanese leaders, led by Katsura Taro and Komura Jutaro. This group believed that the only option that Japan possessed to effectively deal with the Russian threat was to wage war and thereby remove its ambitions toward Korea once and for all.

The hard line policy advocated by the latter group became a more realistic policy course with the forging of the 1902 Anglo-Japanese Alliance.[7] For the first time, Japan gained a formidable Western power as an ally that made war with Russia an option. After attempting last ditch – and futile – diplomatic effort in the Komura-Rosen Negotiations of February 1904, Japan finally decided to pursue the Katsura-Komura path – war with Russia – on February 5. What was now at stake was not only the question of who would dominate the Korean peninsula, but also the future of Japan.

With this as a historical backdrop, the purpose of this article will be the following: first, to trace the diplomatic process that led to the Portsmouth Peace Conference of August 1905; second, to examine the motives, objectives and aspirations of the Japanese government in its drive to achieve victory in the diplomatic phase of the war; and finally to examine Japan's postwar diplomacy in light of the realignment of international relations in East Asia in the aftermath of the Portsmouth Conference.

Japan's Diplomatic Efforts to end the War

Upon the commencement of War with the Russia, the underdog Japanese scored stunning victories on the battlefield over their formidable foe.[8] On land, the Battle of Mukden proved a decisive blow, but Tsar Nicholas II, still possessed his Baltic Fleet, most of which was on its way east as the Second Pacific Squadron.

Despite a string of key victories, Japan was on the brink of complete exhaustion in both material and financial resources. Japan's ability to sustain a prolonged conflict had

[7] For an overview of the Anglo-Japanese alliance, see Shigeru Kurobane, *Nicheidomei no kenkyu* [A Study on the Anglo-Japanese Alliance] (Sendai: Tohoku Kyouikutosho, 1968) and Ian Nish, *The Anglo-Japanese Alliance: The Diplomacy of Two Island Empires, 1894-1907* (London: Athlone Press, 1966).

[8] For a thorough account of the military dimension of the war, see the classical study by Toshio Tani, *Kimitsu nichirosenshi* [Classified Military History of the Russo-Japanese War] (Tokyo: Harashobo, 2004 [new edition]). A detailed examination of the prelude to the war can be found in Ian Nish, *The Origins of the Russo-Japanese War* (London: Longman, 1985). The standard work on the subject from the Japanese perspective still remains Seizaburo Shinobu and Jiichi Nakayama, *Nichirosensoshi no kenkyu* [A Study on the Military History of the Russo-Japanese War] (Tokyo: Kawadeshobo Shinsha, 1959).

decreased to the point where basic war necessities such as ammunition were now almost depleted.[9] Munitions plants were operating on a twenty-four hour basis, yet the enormous demand continuously outstripped supply. It was now clear to the leaders in Tokyo that the critical question was not whether or not peace was necessary, but rather when and how to obtain peace; and only through skillful diplomatic maneuvering would Japan be able to secure the fruits of the war that it had acquired in the conflict.

At the same time, however, it was obvious that in order to attain peace, Japan first needed to strike a crushing blow to the Tsar's hopes by destroying his armada. The final showdown between the two navies took place on May 27, 1905 in the Tsushima Straits. Since a Japanese victory was a *sine qua non* for peace, the fate of the nation now rested upon Admiral Togo Heihachiro and his imperial fleet led by the *Mikasa*.

The skies were clear on May 27 and yet the ocean swelled with large waves, which struck across the bows of the warships as they left port at 5:05 AM to fight the Russians.[10] It would be on this day that Japan's attempt to end the war would become one step closer to becoming fulfilled. The following morning, when the smoke from the British Armstrong-made main battle guns finally cleared, Togo's ships had virtually annihilated the Second Pacific Squadron.[11] However, what sank on that day were not just Russian warships – the Tsar's hope of an overwhelming victory over the Japanese was also sunk.

As a result, Tokyo was now confident that it had forced St. Petersburg's hand to a point where it would have to seriously consider peace and thus finally seek a diplomatic resolution to the war. In this manner, the military phase of the war was approaching its end and the next round of battles would be fought amongst the diplomats across the negotiating table. What remained unambiguous, however, was that only a decisive victory in this diplomatic phase would ensure that war with Russia had been a successful and worthwhile endeavor.

To be sure, Japanese peace overtures had their origins much earlier than the Portsmouth Conference. One of the earliest attempts can be traced back to July 1904, when Tokyo pondered the feasibility of arranging a meeting between the Japanese Ambassador to Britain, Hayashi Tadasu, and Sergei I. Witte in a neutral county such as Belgium, with

[9] For a general overview of the situation, see Tetsuo Furuya, *Nichirosenso* [The Russo-Japanese War] (Tokyo: Chuoukoronshinsha, 1966), pp. 161-165.
[10] Shuhei Domon, *Chibo no Hito Akiyama Saneyuki* [A Man of Wisdon: Akiyama Saneyuki] (Tokyo: Sogohorei Shuppan, 1995), p. 219.
[11] Shinobu Oe, *Baluchiku kantai* [The Baltic Fleet] (Tokyo: Choukoronshinsha, 1999), pp. 169-178, provides a detailed account of the naval aspect of the war including a wealth of information on the Baltic Fleet.

Germany acting as intermediary.[12] The plan came to naught when it became clear that St. Petersburg did not then have the slightest interest in peace. Although the swelling domestic unrest in Russia was a cause for concern, in the Tsar's view the standing military situation did not pose enough of a menace to necessitate diplomatic compromise. In the end, Tokyo's willingness to negotiate simply left the impression that it was much more desirous of peace than the Russians were.

Since Russia's confidence in its military prowess led to its attitude of invincibility against Japan, it was only logical that each Japanese victory on the battlefield would make peace that much more a realistic and attractive option. Thus, the fall of Port Arthur on January 4, 1905 provided the necessary impetus to seriously consider peace as a policy option. Seizing this opportunity, and now supported by President Theodore Roosevelt, Tokyo once again sought to bring St. Petersburg to the negotiating table. Despite this effort, however, the Russians were still neither willing to concede defeat nor admit that Japan was gaining the upper hand in the war. Maintaining prestige was an important concern for Imperial Russia and it was not about to be humiliated by this non-European nation of the yellow race.

The early peace initiatives failed to materialize for another reason as well. The Kaiser of Germany, Wilhelm II, was urging Nicholas II to remain committed to his war against the "yellow peril".[13]

Despite this, however, the Russians were forced to reexamine their position in the aftermath of the Japanese victory at Mukden in March 1905. The bleak outlook of the military situation combined with the increasing domestic unrest led St. Petersburg to reconsider the dividends of peace. Finally, Japan and Russia now both stood on common ground that would allow both to seek an end to the war.

The mood in Tokyo was gradually shifting as well. Prime Minister Katsura and Foreign Minister Komura, both initially opposed to an early peace, now felt that the timing was right to conclude the conflict. Although Japan had been successful in securing additional loans from the U.S. to remain engaged in the war, it was clear that the amount was insufficient to sustain any prolonged conflict. Thus with rapidly dwindling financial and military resources, Japan's war fighting capabilities were nearing their absolute limit.

---

[12] John A. White, *The Diplomacy of the Russo-Japanese War* (Princeton UP, 1964), p. 198. This excellent study provides tremendous detail regarding the pre-Portsmouth diplomacy of the two nations. A classical study is Tyler Dennet, *Roosevelt and the Russo-Japanese War* (Garden City, NY: Doubleday, Page, 1925) and Raymond A. Esthus, *Theodore Roosevelt and Japan* (Seattle: University of Washington Press, 1966).

[13] Michael Balfour, *The Kaiser and his Times* (Harmondsworth, UK: Penguin, 1972 [reprint]), pp. 260-261. For an explanation of the concept of "Yellow Peril," see Bunzo Hashikawa's, *Koukamonogatari* [The Yellow Peril Story] (Tokyo: Iwanami Shoten, 2000 [reprint]).

Furthermore, considering the fact that Russia's imperialistic ambitions toward Southern Manchuria and Korea had been successfully thwarted, peace now made good sense.

By late April 1905, it was decided that Japan would seek the good offices of President Roosevelt to mediate peace with the Russians. Although Roosevelt ostensibly maintained a position of taking no sides in the conflict, it was clear to the Japanese that he was a friend of Japan. Once the formal Japanese request for Roosevelt's assistance was made, the president strove earnestly to bring the Russians to the peace table. At one juncture, a peace conference that included the other European powers was contemplated but this was quickly withdrawn, as mutual distrust made it evident that such a meeting would be doomed to failure. More importantly, Japan also vehemently objected to this plan, out of fear that the European powers would unite against the sole non-white participant. The painful experience of the 1895 Triple Intervention was still fresh in Japanese memories.

Once Japan had in principle accepted the idea of a bilateral peace conference, it was now up to Roosevelt to persuade the Russians to do the same. To bolster Japan's position and lessen Russian resistance, Roosevelt decided to conceal the fact he was acting in accordance to Japan's request and presented his offer to mediate to the Russians as his own. In addition, there were two new weapons in his arsenal for this mission: the capable American Ambassador George von Lengerke Meyer in St. Petersburg, who had just been transferred to his new post from Rome, and the Kaiser, who now felt a sudden and urgent need for Russia to reach peace lest domestic unrest spread to Germany's ally, Austria-Hungary. In the end, Roosevelt's efforts paid off and he succeeded in convincing the Tsar of the merits of peace. On June 9, the convening of the peace conference was formally announced to the world.

Getting the two sides to agree to talk was just one of many obstacles to be overcome before peace could be realized. For example, Japan and Russia haggled over such details as where the conference should be held, the former requesting Chefoo, the latter a European venue such as Paris, The Hague or Geneva.[14] Japan insisted that no location in Europe would be acceptable. After a few weeks of quibbling, Washington finally emerged as a mutually acceptable venue although Roosevelt himself was not terribly enthusiastic about hosting the conference on American soil.[15] Moreover, a serious drawback was that Washington became notoriously hot and humid in summer, and in the days before air conditioning it would have been unbearable to hold a conference there. Therefore, a more suitable alternative was hastily sought, and in the end it was determined that Portsmouth, New Hampshire, cool in summer but not overly crowded with visitors, would provide an

[14] Ibid., p. 251, n. 17.
[15] Ibid., p. 253.

ideal location.[16] Furthermore, the existence of a naval base nearby made it a secure location that also provided easy access via the sea. Both Japan and Russia acquiesced, and thus it was now possible to address the more substantial matters relating to the upcoming peace conference.

Komura, Witte and the Diplomatic Duel at Portsmouth

Once the conference venue had been confirmed, the Japanese government needed next to decide who would lead the delegation in what was sure to become an arduous mission. Prime Minister Katsura s first choice was naturally former Prime Minister Ito, since he had consistently advocated pro-Russian policies.[17] Furthermore, Ito had many high level contacts in St. Petersburg that made him an ideal candidate. However, Ito politely declined, claiming that since he had been a vocal opponent of the war from its onset, it made more sense that the onerous task fall on an individual who had supported it. Ito's personal opinion was that the Prime Minister himself should lead the delegation as precedence dictated. After all, when Ito was Prime Minister, had he not been the plenipotentiary to the Shimonoseki Peace Conference?

Encountering Ito's stiff resistance, Katsura realized that he could not convince him to take on the task. At the same time, however, Katsura felt that it was imperative for him to remain in Japan, to maintain a close rein over the situation in Tokyo. If so, then who would be the next most appropriate candidate? The natural choice was of course foreign minister Komura Jutaro, who had been an early supporter of war against Russia. Komura, then fifty years old, embraced his position as Japanese plenipotentiary to the conference. It was also decided that an able diplomat, Takahira Kogoro, Ambassador to the United States, would be his right-hand man.[18] In Komura's absence, Katsura would be acting foreign minister, positioned to oversee and manage the diplomatic maneuverings at Portsmouth.

On July 3, 1905, the members of the Japanese delegation were made public. In addition to Komura and Takahira, diplomats Sato Aimaro, Yamaza Enjiro, Adachi Mineichiro, Honda Kumataro, Ochiai Kentaro, Hanihara Masanao and Konishi Kotaro would attend from the Gaimusho, and so would the capable American advisor, Henry W. Denison, provided with a handsome salary nearly twice that of the foreign minister. Naval

[16] Esthus, *Theodore Roosevelt and Japan*, p. 75.
[17] Nobuo Kanayama, *Komura Jutaro to Potsumasu* [Komura Jutaro and Portsmouth] (Tokyo: PHP Shuppan, 1984), pp. 29-30.
[18] Takahira's capabilities are thoroughly assessed in Masayoshi Matsumura, "Mouhitori no Potsumasuzenkenkouaiinn," [The Other Portsmouth Conference Participant] *Gaimusho Chosageppo* 1 (2006), pp. 35-64.

Commander Takeshita Isamu, and Army Colonel Tachibana Shoichiro would comprise the military side of the delegation.[19]

The delegates were quite aware of the difficulty of their mission. The Russians were one thing, but what loomed heavily on the delegates' minds were the Japanese public's unrealistically high expectations. To conceal Japan's dire military situation from the Russians, the public had been intentionally misled to believe it had dealt the enemy a crushing blow. In reality, however, Japan not only faced a serious shortage of ammunition and other military supplies, it also lacked the necessary manpower and financial resources to remain engaged in the war. Therefore, unknown to the Japanese public, peace at *almost* any price was the attitude that began to permeate throughout the Japanese leadership.[20]

There was no denying that the Shimonoseki Conference had set a precedent for what was expected from an ideal peace negotiation; territorial concessions and an indemnity. At the same time, however, the government was keenly aware that it would be an immensely difficult task to extract them from Russia. Hence, these two demands were relegated to a lower position among Japan's peace terms.

On July 8, 1905, as the Japanese delegation was preparing to leave Yokohama in the steamship *Minnesota*, Komura looked from the deck onto the cheering crowd below who were enthusiastically waving the *Hinomaru* with full nationalistic fervor. He gloomily observed that upon his return, this raging patriotic sentiment could very well cost him his life.[21]

The delegation arrived in the U.S. on July 19. Since Komura had been out of contact with Tokyo throughout the journey, he immediately immersed himself in the Gaimusho cables that had had accumulated in the Japanese consulate in Seattle. It was then that he learned that his adversary at the conference would be Witte.[22] However, Komura assessed this positively, because he knew that Witte had opposed the war from the outset. Perhaps this appointment reflected the Tsar's true intentions, and now for the first time Russia was serious about peace.

---

[19] For a brief biography of each of the participants, see Akira Yoshimura, *Portsumasu no hata* [The Flag of Portsmouth] (Tokyo: Shinchosha, 1979), pp. 51-53.

[20] In fact, Takahira had earlier informed Roosevelt that "peace without indemnity or territory" was acceptable. His logic was that the cost of prolonging the war would easily exceed any amount of indemnity that Japan could obtain from Russia. Beale, *Theodore Roosevelt*, p. 249.

[21] Shumpei Okamoto, *The Japanese Oligarchy and Russo-Japanese War* (New York: Columbia UP, 1970). This excellent English language work examines the Japanese side of the decision-making process leading to the war.

[22] Prior to this, Komura believed that former Russian Foreign Minister Mikhail N. Muraviev would be his counterpart.

Also in the cable was a vital piece of information that Witte would be arriving in New York on August 1. This gave Komura the precious opportunity of meeting Roosevelt first, and thus keeping one-step ahead of the Russians.[23] Komura departed for Washington on the first transcontinental train from Seattle.

Komura arrived in New York via Chicago on the morning of July 25, and was met at the station by Takahira, who had also just arrived from the Legation in Washington. The headquarters for the Japanese delegation would be the luxurious Waldorf Astoria Hotel. Their first diplomatic priority was to reaffirm the "good offices" of Roosevelt. This coincided with the final phase of the war that was taking place in Sakhalin, just north of Hokkaido.[24]

Prior to Komura's arrival, Roosevelt had suggested to Takahira that occupying Russian territory would dramatically improve Japan's hand in the peace negotiations. Although the Japanese Imperial Army had reached the same conclusion much earlier, at the suggestion of army chief-of-staff Nagaoka Gaishi, the operation was shelved because the Imperial Navy was unwilling to spare any vessels before the impending arrival of the Second Pacific Squadron. The victory at Tsushima had freed the necessary resources for proceeding with the army plan. With Roosevelt's prodding and Yamagata Aritomo's blessing, what had previously been a low-priority operation was now transformed into one of utmost diplomatic importance.

Resistance from the few Russian troops was negligible, and Sakhalin was secured just before the opening of the conference. With Russian soil now in Japanese possession for the first time, the island's fate would become a serious point of contention at Portsmouth. But with the final act of the military phase now over, all attention was now focused upon the diplomatic phase of the war.

With both plenipotentiaries now sitting across the table from each other, the stage was set for the final phase of the Russo-Japanese War.[25] Although Japan had achieved stunning military victories, their fruits could only be obtained by successfully negotiating favorable peace terms. Russia in 1905 was in no way like the utterly devastated Japan of August 1945; she still possessed the ability to continue fighting. The Tsar was the leading voice of the diehard hawks in St. Petersburg. Under these circumstances, Japan's only

---

[23] Eugene P. Trani, *The Treaty of Portsmouth: An Adventure in American Diplomacy* (Lexington: University of Kentucky Press, 1969), p. 119. This excellent work examines in depth the diplomatic phase of the Russo-Japanese War, chiefly from an American perspective.

[24] For the specifics of the operation, see Tani, *Nichirosenshi*, pp. 302-330.

[25] See also Masayoshi Matsumura, "Potsumasukouwakaigi to Seodoa Ruuzuberuto," [The Portsmouth Conference and Theodore Roosevelt] *Gaimusho Chosageppo* 2 (2005), pp. 21-52.

realistic option was to seek a "soft peace" that did not demand a large sacrifice from Russia. If so, then what was Japan's bottom line at Portsmouth?

Japan's demands were divided into three categories. In the first were items of such enormous value that the Japanese government could not accept any compromise. Encompassed in these demands were the very reasons that Japan had gone to war in the first place. If any of these demands were rejected, Tokyo had decided early on that it would have no choice but to continue the war at whatever cost. Therefore, Komura had strict instructions not to deviate from or amend any of the following:[26]

Top Priority Demands:

1) Any and all Russian influences will be removed from Korea. Korea will be placed under sole control of Japan.
2) Both Russian and Japanese troops will withdraw from Manchuria.
3) The right to lease the territories of Lushun, Dairen and other parts of the Liaodong peninsula as well as the railways and mines south of Harbin will be transferred to Japan.

On the other hand, the Japanese government provided Komura with some leeway in negotiating the exact terms of the following demands:

Mid-Priority Demands:

1) Russia will pay an indemnity to Japan, the sum of which will not exceed 15 billion yen.
2) Russia will surrender all warships that have been interred in neutral ports.
3) Russia will cede Sakhalin and the surrounding islands to Japan.
4) Russia will concede coastal fishery rights to Japan.

The final group comprised terms the Russians were most likely to reject outright. However, these were not essential for Japan, so Komura was instructed to use them as bargaining chips to obtain Russian concessions on the more important demands:

Low Priority Demands:

1) Russia will limit its naval presence in the Far East.
2) Russia will demilitarize Vladivostok and convert it into a commercial port.

As long as the non-negotiable top priority demands were incorporated in the final peace treaty, Komura had ample room to discuss and negotiate the finer points with the

[26] Japanese Foreign Ministry ed., *Komuragaikoshi* [The History of Komura's Diplomacy] (Tokyo: Harashobo, 1966), pp. 491-492. This is the standard work on the Portsmouth Conference from a Japanese perspective.

Russians. In this way, Japanese expectations were set realistically low as possible, which indicated how eager Japan was to attain peace. Entering into the negotiations with such an attitude, one might easily conclude that the conference would progress smoothly. However, this would not be the case, as Komura drove a hard bargain by obstinately seeking to gain territorial concessions (Sakhalin) as well as an indemnity.

Conversely, Komura stubbornly persisted in demanding these concessions, since he realized that Japanese public opinion, possessing a greatly bloated expectation of the peace dividends, would accept nothing less. Finally, another strong motivation for Komura could have been that he wanted to equal if not surpass the success of his mentor, Mutsu, at the Shimonoseki Peace Conference a decade earlier.

Given that a detailed account of each meeting of the Portsmouth Conference is published in the primary documents, *Nihon gaiko monjo: Nichiro senso* and *Nichiro koshoshi*, as well as many other scholarly studies, this article will refrain from repeating it here, but in the end Komura only was able to obtain half of Sakhalin and failed to get any indeminity.[27]

Post-Portsmouth: The Establishment of a New World Order

Securing peace at Portsmouth enabled Japan to now move its attention to the future direction of its postwar diplomacy. The outcome of the Russo-Japanese War had allowed Japan to vastly strengthen and expand its sphere of influence in China and Korea. Hence, it was only natural that Japan's new foreign policy would focus on how to maintain and manage the enlargement of the empire. Emerging from this process were three distinct paths for the future of Japan's foreign policy.[28]

The first option, supported by the Imperial Army, advocated direct military rule over Japan's newly acquired possessions, greater involvement in the affairs of China, and outright annexation of Manchuria. For obvious reasons, the British strenuously objected to this policy, advising that it would simply be "suicidal." The Americans also voiced grave concern, conveying to Tokyo "great disappointment" if Japan opted to embark on this path. In the end, pragmatism prevailed, and the plan was discarded under intense pressure from Ito, who firmly believed that its implementation would ensure a foreign policy disaster.

[27]Ministry of Foreign Affairs ed., *Nihon gaiko monjo: Nichiro senso*, vol. 5 [Japanese Diplomatic Records: The Russo-Japanese War] (Tokyo: Gaimusho, 1960) and idem, *Nichiro koshoshi* [The History of the Russo-Japanese Negotiations] (Tokyo: Harashobo, 1969 [reprint]).

[28] For further explanation, see Toshihiro Minohara and Yasutoshi Teramoto's chapter in Iokibe Makoto ed., *Nichibeikankei tushi* [The History of U.S.-Japan Relations] (Tokyo: Yuhikaku, forthcoming).

The outspoken supporter of the second option was Hayashi. This policy was based on an internationalist-oriented path that favored close cooperation with the powers. It encompassed the ideals of enlightened self-interest, and was in many ways a path that was before its time. Consequently, it encountered stiff resistance from the *genro*, who viewed Hayashi's idealistic diplomacy as amateurish and incompetent. Moreover, the upsurge in Chinese nationalism also damaged Hayashi's credibility, as it convinced many Japanese that a more heavy-handed approach toward China was necessary to maintain order. To his credit, however, as Foreign Minister in the First Saionji Cabinet, Hayashi was able to forge closer ties with not only France, but also the former adversary Russia as well.

Finally, the third option was an overtly imperialistic policy supported by Komura. This policy, known as "Komura Diplomacy" (*Komura Gaiko*) would become the basic guiding principle of Japanese diplomacy until the 1920s, when Foreign Minister Shidehara Kijuro shifted Japan's diplomatic path to one that valued greater cooperation vis-à-vis the U.S. and Great Britain.

After the Portsmouth Conference, Komura's main policy objective was to assure that Japan would play a major role in the affairs of East Asia.[29] The essence of *Komura Gaiko* was not only about strengthening Japan's position on the continent, but also increasing her global status and prestige. Thus, concerns over national interest and security were paramount. As a direct result, Komura's policy forced a realignment of international relations that transformed the status quo.

Japan's rise as a new power, mostly at the cost of Russia, became the catalyst for the creation of a new world order, particularly as it related to the East Asian region. This transformation was clearly visible as the powers took the necessary steps to accommodate Japan's emergence through the following agreements: the Taft-Katsura Memorandum of July 1905, the Second Anglo-Japanese Alliance of August 1905, the Franco-Japanese Convention of June 1907, the Root-Takahira Agreement of November 1908 and finally, the Russo-Japanese Convention of July 1907 (amended and extended in 1910, 1912 and 1916). To be sure, unlike the events that followed the Sino-Japanese War, this time all the European powers were willing to recognize Japan's vested interest in East Asia, particularly as it related to South Manchuria and the Korean Peninsula.[30]

---

[29] For a detailed examination of Japan's foreign policy during the 1920s, see Ryuji Hattori, *Ajiakokusaikankyo no hendou to nihongaiko, 1918-1931* [The Change in the International Environment in Asia and Japanese Diplomacy] (Tokyo: Yuhikaku, 2001). For an account of Shidehara, see idem, *Shidehara Kijuro to nijuseiki no nihon* [Shidehara Kijuro and 20th Century Japan] (Tokyo, Yuhikaku, 2006).

[30] See also Toshihiro Minohara, "Nichiro senso to rekkyo eno taito," [The Russo-Japanese War and the Rise to a Power] *Kokusaimondai* 546 (2005), pp.7-22.

Viewed from the context of U.S.-Japan relations, Japan's rapid ascendance as a regional power was what reshaped U.S.-Japan relations to one that incorporated the concept of a strategic partnership.[31] Despite its own rise as a major power, the Unites States still did not possess the necessary naval strength to defend its recently acquired territories in the Pacific. In particular, the Philippines were seen as America's "Achilles' heel."[32]

Therefore, Japan's victory against Russia was the seismic event that propelled Japan into a position that transformed it into an ideal regional partner the U.S.: a partnership that would be based on the common principle of preserving and respecting each other's stake in Asia. This meant that as long as Hay's Open Door principles were adhered to in China, and Japan did not encroach upon America's interests in the region, then Japan was permitted a free hand in maintaining her own sphere of influence. This mutual understanding led to the aforementioned 1905 Taft-Katsura memorandum and the 1908 Root-Takahira agreement. Thus in the aftermath of the Portsmouth Conference, U.S.-Japan relations at the time were extremely amicable. Even the Japanese immigration problem was amicably settled by the 1908 Gentlemen's agreement.

Unfortunately this would not last long. With the victory of the Democrats in the 1912 Presidential election, the previous arrangements between the U.S. and Japan would come to an abrupt end. President Woodrow Wilson and his "New Diplomacy" grounded in idealistic principles would transform the U.S.-Japan relationship to one marred by near constant friction.[33] Wilson and his followers in the State Department would spare no effort to undo the "flawed" and grossly imperialistic East Asian policy espoused within the Root-Takahira agreement.[34] Thus in retrospect, it was Wilson in who fundamentally altered the nature of US-Japan relations in 1913, by pursuing a policy of threatening Japan's vested interests in East Asia, while disregarding Japanese sensitivities to the immigration problem.

---

[31] For studies of U.S.-Japan relations during this period see, Payson J. Treat, *Japan and the United States, 1853-1921: Revised and Continued to 1928* (Palo Alto: Stanford UP, 1928); William Neumann, *America Encounters Japan: From Perry to MacArthur* (Baltimore: University of Johns Hopkins Press, 1963); and Charles E. Neu, *An Uncertain Friendship: Theodore Roosevelt and Japan, 1906-1909* (Cambridge, MA: Harvard UP, 1967).

[32] A. Whitney Griswold, *The Far Eastern Policy of the United States* (New Haven: Yale UP), p. 35.

[33] For a recent study of Wilson's foreign policy in the context of U.S.-Japan relations, see Shusuke Takahara, *Wilusongaiko to nihon* [Wilson's Diplomacy and Japan] (Tokyo: Soubunsha, 2006).

[34] James C. Thomson Jr. et al., *Sentimental Imperialists: The American Experience in East Asia* (New York: Harper & Row, 1981), pp. 148-161.

The Territorial Issue between Japan and Russia
Inspiration from the Åland Islands Experience

By Markku Heiskanen

Introduction

The territorial issue between Japan and Russia concerning four minor islands north of Hokkaido has blocked the final normalization – the peace treaty – of the relations between Japan and Russia for more than 60 years. Several efforts have been made to solve the territorial issue at the high political level, and in a number of academic seminars, but with no concrete results.

The territorial issue between Japan and Russia is one of three major complicated and persistent post World War II remnants in Northeast Asia, along with the division of Korea and the Taiwan issue. There are some other territorial issues in the region, but their role is minor compared with the four islands issue. This issue is not only blocking the development of bilateral relations between Japan and Russia, but it is also is one of the main obstacles on the way to the establishment of permanent peace regime in Northeast Asia.

Although the territorial issue between Japan and Russia can be definitively solved only by the two parties concerned, international developments in the region, and even globally, might contribute to the resolution of the dispute. The ongoing six-party talks on the North Korean nuclear issue, with the positive agreement reached in Beijing in February 2007, raises hope for the emergence of multilateral diplomacy in Northeast Asia. The Beijing agreement calls for creating a multilateral process of security and cooperation in Northeast Asia. Such a process could offer new views also to the resolution of the territorial issue between Japan and Russia, and to the final normalization of their relations in the form of a peace treaty.

Some successful resolutions of territorial or related regional issues in past and present history might offer some inspiration to finding new paths to open this deadlock in the Japanese-Russian relations. Among these is the successful resolution of the post World War I territorial issue of the Åland Islands between Finland and Sweden by the League of Nations in 1921. This resolution offers an interesting reference to the post-World War II territorial issue between Japan and Russia, although hardly any concrete recipe.

According to the decision of the League of Nations in 1921 the Åland Islands, a former Swedish province, occupied by Imperial Russia in 1809, remained under the jurisdiction of newly-independent Finland as a semi-independent, autonomous province,

the minority rights of its Swedish population guaranteed by the Finnish legislation, and its demilitarization and neutral position guaranteed internationally. All these main elements of the resolution have some reference to the pending territorial issue between Japan and Russia. Some relevance can be also found in that the resolution was concluded through multilateral diplomacy, within the main international forum of that time.

However, the issue solved by League of Nations decision, was a territorial dispute between two small northern European countries. It cannot be imagined that the Japanese-Russian territorial issue could be brought to the United Nations or any other current multilateral forum. The decision is for Japan and Russia only. But the international community, particularly the countries in Northeast Asia, but even the European Union, could give support to the resolution of this territorial issue in a wider multilateral context. The springing multilateral forum in Northeast Asia in the form of the six-party talks on the resolution of the North Korean nuclear issue, might open new perspectives also for the resolution of the Japanese-Russian territorial issue.

Perhaps a balanced peace regime in Northeast Asia could also include in the long run a feasible resolution to all three major post-World War II issues in Northeast Asia, the reunification of Korea, the resolution of the Taiwan issue, and the Japanese-Russian territorial dispute. This is not an easy task, but similar post-World War II issues were successfully solved in Europe, very much thanks to multilateral diplomacy and balance between security issues and mutually beneficial, particularly economic, peaceful cooperation. The Åland Islands resolution has turned out to be vital even in today's changing circumstances.

There are two other territorial cases in recent history in the vicinity of the western edge of Russia worth studying in this context: the former Finnish province of Karelia, and the Soviet naval base of Porkkala near the Finnish capital Helsinki until 1956. Also the special arrangement of the Saimaa Canal in the present Russian territory leased to Finland deserves some notes. Also these cases will be observed briefly below.

The Åland Islands experience from 1921 until present day

The Åland Islands issue was a result of the war between Sweden and Russia. In 1808-09, Sweden lost the war and Finland, its eastern province since the mid-1100s was annexed by Imperial Russia. The new western frontier between Russia and Sweden was drawn between the Åland Islands and mainland Sweden. Åland had always belonged to Sweden, and the Swedish population remained on the islands. Finland became in 1809 an autonomous Grand Duchy of Imperial Russia, which enabled its development towards an independent nation. In connection with the Bolshevist revolution in Russia in 1917 Finland

declared independence. The Ålanders began to hope for a reunion with Sweden, which took this opportunity to present demands for returning the Åland Islands.

As a solution the Parliament of Finland adopted an Autonomy Act for Åland in 1920. At first the Ålanders refused to accept it, and the question of Åland's status was referred to the League of Nations. In June 1921 the Council of the League of Nations reached a decision that Finland should receive sovereignty over the Åland Islands. Finland undertook to guarantee the population of Åland its Swedish language, culture and local customs. The Council of the League of Nations also prescribed that an international agreement should be made confirming the demilitarization of the Åland Islands from 1856, in connection of the ending of the Crimean War, and expanding it to include neutralization.

The successor state of Imperial Russia, the Soviet Union, did not resist the resolution, and, interestingly enough, the Asian great insular power Japan supported the Finnish positions in the issue. The Japanese delegation was led by Tanetaro Megata, whose secretary was Kiichi Toyama, a student of the Finnish Envoy to Japan, Professor Gustaf Ramstedt, who taught him the Finnish language. Ramstedt himself was a prominent scholar and linguist, expert in Oriental languages including Japanese, Korean and Mongolian. As a consequence the Japanese delegation had the Finnish documents concerned translated into Japanese. It seems that also the Japanese Under Secretary-General of the League of Nations, Inazo Nitobe played an important role as the issue was resolved in Finland's favour. Probably the Japanese, as an insular nation, felt some sympathy for the Finnish arguments that the Åland Islands were geographically an essential part of mainland Finland.

The Åland Autonomy Act was supplemented in conformity with the decisions of the Council of the League of Nations, and the Ålanders started applying the Act. The first election to the Åland Parliament was held in 1922. The Swedish population had remained in Åland also during the Russian occupation. The Autonomy Act from 1920 was replaced in 1951. The present Act on the Autonomy of Åland was passed by the Parliament of Finland in constitutional order and with assent of the Åland Parliament. The Act entered into force on 1 January 1993.

When Finland joined the European Union (EU) in 1995 a special Åland Protocol was attached to the treaty, allowing Åland, although a member of the EU, to stand outside the EU tax union with respect to indirect taxation. The Ålanders have a special passport, with the name of Åland added to the European Union and Finland.

The Karelian question

The new post-war frontiers of Finland with the Soviet Union were confirmed by the Peace Treaty of Paris in 1947. No territorial issues remained. Former Finnish territories, particularly the Karelian Isthmus, were annexed to the Soviet Union. The Finnish population in Karelia, of some 400.000 people, about 10 per cent of the entire population, was repatriated to Finland. No Finnish population remained in the ceded regions.

The issue of the eventual return of the lost Karelian Isthmus to Finland was taboo for a long time in post-war Finland, which carefully fostered friendly and confidential relations with the Soviet Union. In Japan in the discussions on the "Northern Territories" the Karelian issue was also occasionally referred to. After the dissolution of the Soviet Union in 1991, discussion on the eventual return of the Karelian Isthmus, or part of it, has revived in Finland. There are still in Finland many people who were evacuated from Karelia in 1944. Like the Soviet, also the Russian political leaders, President Putin included, have declined any hopes for the return of this territory.

The Karelian Isthmus, like the disputed four islands, is a highly underdeveloped region after the Finns were removed from there. It has also lost, like the four islands, most of its former military significance. The recent developments to strengthen the Gulf of Finland as one of the main energy transportation outlets of Russia, and also the strengthening military build-up in the vicinity of the Finnish borders may change this view in the case of the Karelian Isthmus.

Recently Russian experts, commenting on the Karelian issue on Finnish television, referred to the Russian-Japanese territorial issue, and maintained that the underdevelopment of these regions does not make any basis for their return to their former owners. On the other hand they noticed that international developments, which are unpredictable, may one day make even the return possible, in one way or another. This is what happened in Europe, the reunification of Germany being the main example.

In Europe the CSCE (Conference on Security and Cooperation in Europe) Helsinki Final Act from 1975 gives the possibility for peaceful change of frontiers. This has in fact happened: the post-Cold War map of Europe looks very different from Cold War times, the above-mentioned reunified Germany as the best example.

The CSCE process has turned into an Organization OSCE (Organization on Security and Cooperation in Europe). Russia is a member of OSCE, and Japan an observer. The OSCE is in theory a multilateral forum where the Japanese-Russian territorial issue could be discussed, even if not by any means resolved.

The role of frontiers has diminished all the time while European integration has proceeded. The so-called Schengen agreement, signed some years ago, allows EU citizens to travel freely within this area without passport or customs controls. Several thousand Finns worked and lived in the lost territories in Karelia in great industrial Finnish-Soviet joint ventures, particularly in the 1970-80s, the mining combinate of Kostamus, and the pulp combinate of Svetogorsk being the best examples. Finnish citizens can today travel freely to Russian Karelia, although a visa is needed, and even buy their old houses, if there is anything left of them.

The Karelian question can be considered as of some relevance to the Japanese-Russian territorial issue. Both resulted from the developments at the end of the Second World War, and the counterpart was the Soviet Union, on the western and eastern edges of the Soviet imperium.

The Soviet naval base of Porkkala 1944-56

An interesting post-World War II episode in Finnish-Soviet relations was the Soviet naval base of Porkkala, only some 20 kilometres from Helsinki, the capital of Finland, which Finland had to lease to the Soviet Union for fifty years,. The Finnish leaders interpreted this mentally as a factual partial occupation of Finland. Finland was not occupied in connection with the Finnish-Soviet wars of 1939-44. Due to favourable developments in international relations, particularly between the United States and the Soviet Union in the mid-1950s, the Soviet Union returned the base to Finland in 1956, and the Soviet forces withdrew from Porkkala. This marked the definitive end of the post-war arrangements in Finnish-Soviet relations. Even if the Porkkala naval base was officially leased to the Soviet Union, it was in fact Soviet territory, and its return to Finland indicates that such moves could be made by Russia in some other contexts, if the changing circumstances are favourable.

The Soviet Union leasing the Saimaa Canal to Finland in 1963

The Saimaa Canal was an important waterway from Finnish lakes to the Gulf of Finland before the wars with the Soviet Union in 1939-44. The new post-war frontier cut this outlet, but in the treaty between Finland and the Soviet Union in 1963 the Soviets leased the canal area and the island of Malyj Vysotskij, in Soviet territory, to Finland for fifty years. The Finns constructed a new deeper canal, and it opened to traffic in 1968. The length of the canal is 23.3 Kilometres in Finnish territory, and 19.6 Kilometres in former Soviet, now Russian Federation, territory. Negotiations to extend the lease beyond 2013 are presently under way between Finland and Russia.

The Åland Islands experience as inspiration for resolution of the Japanese-Russian territorial issue

The resolution of the Åland Islands territorial dispute between Finland and Sweden in the League of Nations 1921 laid a basis for a successful compromise vital still today. The dispute between two small northern European states was resolved in a multilateral forum of that time. The autonomous position of the Åland Islands under the jurisdiction of Finland has not satisfied all Ålanders, but voices demanding full independence have not resulted in any concrete political movements. The Åland province has its own local parliament, own flag, own stamps, own radio and TV, etc. In many respects Åland's position resembles that of the Danish provinces of Greenland and Faroe Islands. The special guarantees to the Swedish population of the Åland Islands concerning the position of Swedish as the only official language, and the provisions concerning the ownership of property on the islands have proved to be essential elements of this success story. The demilitarization of the Åland Islands based on the treaty ending the Crimean War, from 1856, has been an essential part of military balance in this part of the Baltic Sea, as well as the recognized but somewhat vague concept of the neutralization of the Åland Islands.

But are these elements that could somehow be utilized in the efforts to resolve the Japanese-Russian territorial issue of the four islands?

The answer could be: the Åland Islands experience can be used as one historic reference of a successful compromise resolution of a territorial issue between two countries, resolved within a multilateral framework. The main elements of the present "Åland Model": autonomy, guaranteed minority rights, demilitarization and neutralization are all relevant to the eventual resolution of the Japanese-Russian territorial dispute.

However, the dispute must be resolved between Japan and Russia only. It is not imaginable that the issue could be handled at the United Nations, the International Court of Justice or any other international forum.

An autonomous position with guaranteed minority rights of the present Russian population of the disputed four islands under Japanese jurisdiction seems highly improbable. There is no Japanese population on the islands concerned, unlike in Åland, where the original Swedish population remained on the islands during the Russian occupation. In case the islands were returned to Japan, it is unlikely that the Russian population would stay there. The demilitarization of the four islands in some form might be considered. The first step could be for Russia to declare the four islands nuclear-free. It seems that the military significance of the four islands to Russia has diminished, but the Russians are hardly ready to withdraw troops from the islands.

In the present situation any application of the "Åland Model" as a resolution to the territorial issue between Japan and Russia seems unlikely, to say the least. The special economic status of the Åland Islands in the European Union could offer some reference to future solutions. The four islands could be made some sort of economic free zone, open also for Japanese investors.

Conclusion

The inspiration of the Åland Islands experience to the efforts to resolve the territorial issue between Japan and Russia is a welcome and stimulating addition to the international discussion on the issue. The international seminar organized in the capital of Åland, Mariehamn in August 2006, proved this view. Even if the Japanese and Russian participants could not offer anything new to the discussion as such, the exchange of views also with American, Swedish, Finnish, Australian and Canadian experts perhaps gave some new ideas to be studied in the future. It is not without importance that such discussions were conducted on a neutral ground, with positive experiences from a peaceful resolution of a territorial dispute.

Along with the Åland experience after the World War I, the other territorial resolutions after the World War II in the western vicinity of the Finnish-Russian border referred to above, may add some elements to the current discussion.

For an European observer the Japanese-Russian territorial issue seems to be the least difficult of the three major territorial issues in Northeast Asia, the other two being the Korean and Taiwanese issues. In Europe the peaceful post World War II development leading to a large-scale economic integration in the form of the European Union (EU), was based on the recognition of mutual economic interests as the guarantor for peace between former belligerents. There are current efforts to strengthen this mutual and reciprocal balance between the EU and Russia, particularly in the field of energy.

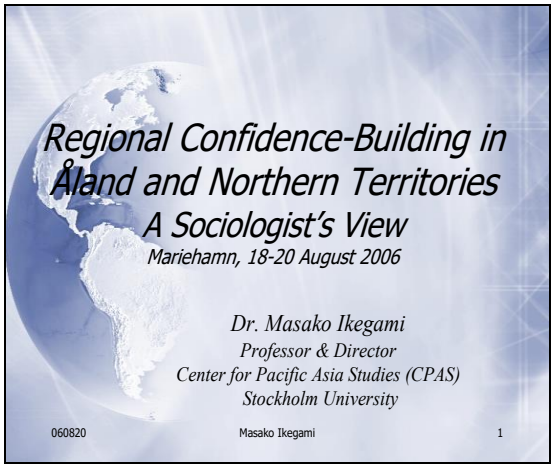
Perhaps the increasing bilateral cooperation between Japan and Russia, and also increasing multilateral economic cooperation in Northeast Asia, making use of the potentials of the economic complementarities of the countries of the region, will cause reconsideration of the value of the four minor islands north of Hokkaido.

World War II, the Korean War and the Cold War should be finally ended in Northeast Asia, based on due peace treaties and other internationally guaranteed arrangements. Within this comprehensive framework it could be possible to find a balanced compromise also to the territorial dispute between Japan and Russia.

This is how it looks from a northern European viewpoint.

Regional Confidence-Building in Åland and Northern Territories
A Sociologist's View
By Masako Ikegami

(Power Point Slides)



Facilitating Environment for Constructive Dialogue

- Start working with marginal issues easier to solve
  - Legacy of PoWs in Siberia, regional/international organizations membership (WTO, NE Asia Dialogue), registration of Russian property
- Achieve agreement on basic 'code of conduct'
  - No shooting to civilian boats, cooperative coastal guard instead (inform Japanese coastal guard in case of 'border violation')
  - Cooperative coastal patrol = softening sovereignty

Incremental Phased [2+α≈4] Approach

1. Both recognize the Northern territories as an issue to be solved ultimately
2. Russia returns the 2 islands based on the 1956 agreement
3. Keep the other 2 islands a pending open issue 'to be solved in good faith'
4. Peace Treaty signed at this stage?
5. Introduce 'Softening Border' Measures
6. Regional CBMs in the area (e.g. NWFZ)

Softening Border Measures

- Set an Economic Free Zone to facilitate people-to-people contacts & development cooperation
- Cooperative development of natural resources & fishery, environment
- Provide autonomy/self administration to the islanders
- Cooperative coastal patrol against clandestine trafficking problems
- All programs to mitigate nationalism

Ultimately, sovereignty issue will be solved undramatically, in a discreet way

- Nationalistic sentiment will fade away after 'softening border' measures
- People on both sides will enjoy 'peace dividend' (mutual interests)
- Weight of Sovereignty will be minimized to a mere symbol: virtually 'trans-national' solution

Northern Territories: Searching for a Solution

By Ralph A. Cossa

(PacNet, Number 41A, August 23, 2006)

MARIEHAMN – It was cruel irony that the killing of a Japanese fisherman by Russian security forces in the disputed Northern Territories (or southern Kuril Islands, depending on where you stand in the dispute) took place just as a group of Japanese and Russian scholars and former government officials were meeting with a group of Alanders to discuss creative solutions to this longstanding territorial dispute.

Aland is an autonomous, demilitarized Swedish-speaking island nation incorporated into the broader Finish state with a set of constitutional guarantees aimed at preserving its unique status. It served as a willing host for the dialogue, not only because it is proud of its history and eager to serve as an example for others, but also because it constantly seeks greater international awareness, and reaffirmation, of its neutral status, which dates back to a post-World War I solution imposed on the Alanders (and Swedes) by the League of Nations.

The Northern Territories issue has a decidedly different history. It was born out of WWII, as Soviet forces occupied these then-Japanese islands in the closing days of the war, deporting the roughly 17,000 Japanese that resided there. The Russians claim that there is no territorial dispute since the Japanese, at the San Francisco peace talks following World War II, renounced their claims to the Kurils. Tokyo claims that the islands are part of Japan, not the Kurils – a position Washington supported throughout the Cold War – and, in 1956, there was an agreement, in principle, between Moscow and Tokyo that the two southernmost of the four islands could be returned to Japan once a formal peace treaty was signed between the two nations. Despite a few false starts, including one early in Russian President Vladimir Putin's term in office, little real progress has been made even in seriously negotiating, much less actually signing, a peace treaty.

In listening to the dialogue in Aland – I was there to discuss U.S. security interests – it appeared that the prospects for a breakthrough were slim. Russians left open the possibility of reviving the 1956 agreement but wondered what was in it for Moscow. What was Japan prepared to give in return? Japanese interlocutors seemed even less prepared to compromise, pushing for "all or nothing" solutions, with the only sign of flexibility being a "two plus alpha" solution where the southernmost territories were returned at the time of a peace agreement, with the details surrounding the eventual return of the remaining

territories left vague. To the outside observer, it seemed clear that national pride, as much or even more than national interests, seemed to be driving both sides' positions.

It was hard to come away from the discussion feeling optimistic about the immediate future. If nongovernmental experts who had spent their lives promoting better Russo-Japanese relations could not reach agreement, what hope is there for the two governments to ever do so? But lack of consensus regarding a solution does not equate to lack of hope. Perhaps affected by the spirit of compromise and cooperation inherent in the "Aland experience," participants at the "New Initiatives for Solving the Northern Territories Issue" (co-chaired by Stockholm University's Center for Pacific Asia Studies and the Centre for International Governance Innovation at the University of Waterloo in Ontario, Canada) highlighted the importance of small steps that might defuse the sovereignty debate and create a better atmosphere in which to eventually craft a solution.

Aland's status as a neutral, demilitarized territory figured in this discussion. It seemed clear that the only condition under which the territories could possibly be returned would be with a future Japanese pledge not to maintain military forces in the islands. While no one in the room pretended to speak for the Japanese government, most believed that Tokyo would find such a condition acceptable.

Russia's willingness to demilitarize the territories today "as an act of good faith" seemed less likely, although the military significance of the territories decreased significantly with the end of the Cold War and few Russian troops look forward to an assignment there. Perhaps Moscow could make a virtue of necessity by removing an unnecessary and costly base, especially if Tokyo were to agree to assist in the transition (i.e., help pay for the move).

Participants also agreed that joint economic development and cooperation in the Northern Territories would also help create a better atmosphere for eventual return or resolution of the problem. A softening of borders, such as currently exists between Aland and Sweden (or throughout the European Union, for that matter), could reduce sovereignty concerns over the long run and make it possible for former residents to at least visit, if not eventually return to, the islands.

As one rides the ferry between Stockholm and Mariehamn, the number of people crowded into the ship's duty free shops and lined up in front of its slot machines attests to the attractiveness of an open economic zone that permits hassle-free transit not only

between Aland and Sweden but with the rest of Finland as well (another characteristic of Aland's unique autonomy).

Finally, to avoid a repeat of tragic incidents like the recent shooting of a Japanese fisherman, joint patrols and joint enforcement of joint fisheries agreements should be considered. Ideally, this could be part of a broader "code of conduct" between the two sides, aimed at defusing tensions and limiting the possibility of future unfortunate incidents.

Regrettably, a near-term solution to the Northern Territories issue appears unlikely. But, there are positive confidence-building steps that both governments can take, in keeping with the Aland example, to increase the prospects for a solution in the long run. Meanwhile, it would be an even greater contribution to regional peace and stability of representatives from Beijing and Tibet's government-in-exile (and perhaps even from Taiwan as well), were to meet in Mariehamn to learn from the Aland experience and see how true autonomy can be made to work for all concerned.

Ralph A. Cossa is president of the Pacific Forum CSIS (pacforum@hawaii.rr.com), a Honolulu-based non-profit research institute affiliated with the Center for Strategic and International Studies in Washington and senior editor of Comparative Connections, a quarterly electronic journal [www.csis.org/pacfor].

Appendix A

Conference Agenda

"New Initiatives for Solving the Northern Territories Issue between Japan and Russia: An Inspiration from the Åland Model"
Mariehamn/Aland, 18-20 August, 2006

Thursday, 17 August

ARRIVAL DAY

Conference Venue: Conference Hall at the Åland Government's Building
Ålands Landskapsregering
Självstyrelsegården, PB 1060, AX-22111 Mariehamn, Åland
Tel: +358-(0)18-25000 Fax: +358-(0)18-19155
http://www.ls.aland.fi/

Friday, 18 August: "Learning from the Åland Model"

AM *OPENING SESSION:*

9:00-9:45 ***Opening Remarks***
Masako Ikegami

Background and Key Concepts of the Project
Kimie Hara

10:00 - *SESSION ONE: ON-SITE BRIEFINGS ON ÅLAND (1)*
Briefings by the Åland Government and Parliament

Autonomy of Åland and Conflict Resolution
Elisabeth Naucler

The Åland Parliament, it's duties and forms of work
Lars-Ingmar Johansson

COFFEE BREAK

Public Finance of Åland
Dan E Eriksson

Economy and Employment
Linnea Johansson

12:30 – 14:00 LUNCH at a cafeteria at the conference venue

14:00 – *SESSION TWO: ON-SITE BRIEFINGS ON ÅLAND (2)*

The Role of the Governor and the Finnish state in Åland
Peter Lindbäck

15:00 **Departure to the ruins of the fortress of Bomarsund, including the historical background to Åland´s demilitarisation in 1856**
Graham Robins

The Åland Islands Peace Institute and the international interest in the Åland example
Robert Jansson

Chair: Elisabeth Nauclér

17:00 **Return to the hotel.**

19:30 – **Buffét DINNER at the house of ship-owner Gustaf Erikson in Mariehamn.**
Hosted by The Åland Government.
Key-note speaker: Elisabeth Nauclér

Saturday, 19 August: Dealing with the "Northern Territories"/Southern Kuriles Problem

09:00 –10:30 *SESSION THREE: BILATERAL AND DOMESTIC DIMENSIONS*
(with particular attention to the present, former and indigenous residents of the disputed islands)

The "Northern Territories"Problem, the Japanese-Russian Relations and Domestic Concerns in Japan
Hiroshi Kimura

The "Southern Kuriles" Problem, the Russian/Soviet-Japanese Relations and Domestic Concerns in Russia
Konstantin Sarkisov

Chair: Kimie Hara
Discussant: Nobuo Shimotomai

10:30 –11:00 **COFFEE BREAK**

11:00 - 12:30 *SESSION FOUR: INTERNATIONAL/MULTILATERAL DIMENSIONS*

The Russo-Japanese Territorial Dispute in the International Politics of North East Asia
Georgy Kunadze

Possible Multilateral Frameworks for Considering Solutions of the Russo-Japanese Territorial Dispute
Ralph Cossa

Chair: Masako Ikegami
Discussant: Geoffrey Jukes

12:30 – 14:00 **LUNCH at "*Åss*"**

14:00 – 15:30 *SESSION FIVE: MILITARY & STRATEGIC DIMENSIONS*

Russian/Soviet Military and Strategic Importance of the "Northern Territories" - Historical Overview and Analysis
Geoffrey Jukes

Åland Islands and the Regional Security in Northern Europe
Tomas Ries

Chair: Georgy Kunadze
Discussant: Ralph Cossa

15:30 – 16:00 **COFFEE BREAK**

16:00 – 17:30 *SESSION SIX: HISTORICAL DIMENSIONS*

The "Northern Territories" Problem and the Cold War in East Asia
Nobuo Shimotomai

Japanese Diplomacy and Japanese-Russian Relations at the Time of the Aland Settlement
Toshihiro Minohara

Chair: Hiroshi Kimura
Discussant: Konstantin Sarkisov

19:00 – **DINNER at the Park Alandia Hotel**

Sunday, 20 August: New Initiatives for Solving the Territorial Disputes in the Asia-Pacific

09:00 – 10:30 *SESSION SEVEN: LEARNING FROM THE ÅLAND MODEL*

Regional Confidence- and Peace-Building: A Comparative Analysis of Conflict Resolution between the Åland Model and Northern Territories
Masako Ikegami

Examining the Applicability of the Åland Model for the Resolution of the Northern Territories
Markku Heiskanen

Chair: Kimie Hara
Discussant: Ralph Cossa

10:30 – 11:00 **COFFEE BREAK**

11:00 – 12:30 *SESSION EIGHT: ENVISIONING RESOLUTIONS OF THE NORTHERN TERRITORIES PROBLEM – 1*
Open discussions on:
- ***Multilateral Framework***
- ***Autonomy***
- ***Neutralization & Demilitarization***
- ***Human Security***
- ***Others***

12:30 – 14:00 **LUNCH at Park Alandia Hotel**

14:00 – 15:30 **SESSION EIGHT continues**

15:30 – 16:00 **COFFEE BREAK**

16:00 – 17:30 *CONCLUDING SESSION*

19:00 – **DINNER at Restaurant "*Indigo*"**

Monday, August 21, 2006
DEPARTURE DAY

Appendix B

List of Participants

Ralph Cossa
President, Pacific Forum CSIS, USA

Dan E Eriksson
Permanent Secretary, The Åland Government

Kimie Hara
Renison Research Professor, East Asian Centre, Renison, University of Waterloo
CIGI Fellow, Centre for International Governance Innovation (CIGI), Canada

Scott Harrison
Graduate Student, University of Waterloo
Balsillie Fellow, Centre for International Governance Innovation (CIGI), Canada

Markku Heiskanen
Associate Senior Fellow, Nordic Institute of Asian Studies (NIAS), Denmark
Formerly Adviser, Northeast Asian Affairs, The Finnish Ministry of Foreign Affairs, Finland

Masako Ikegami
Professor and Director, Center for Pacific Asia Studies (CPAS), Stockholm University, Sweden

Robert Jansson
Director, The Åland Islands Peace Institute

Lars-Ingmar Johansson
Secretary General, The Åland Government

Linnea Johansson
Permanent Secretary, The Åland Government

Geoffrey Jukes
Senior Fellow, Contemporary Europe Research Centre, University of Melbourne, Australia

Hiroshi Kimura
Professor, The Institute of World Studies, Takushoku University, Japan

Georgy Kunadze
Professor, Moscow State University in International Relations
Institute of World Economy & International Relations (IMEMO), Russia

Peter Lindbäck
Governor Representative of the Finnish State, Finland

Toshihiro Minohara
Associate Professor, Kobe University, Japan

Elisabeth Nauclér
Head of Administration, The Åland Government

Tomas Ries
Director, The Swedish Institute of International Affairs, Sweden

Graham Robins
Project leader at Bomarsund, The Åland Government

Konstantin Sarkisov
Professor, Yamanashi Gakuin University, Japan

Nobuo Shimotomai
Professor, Hosei University, Japan