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# BEYOND COLD WAR TO TRILATERAL COOPERATION IN THE ASIA-PACIFIC REGION

**Scenarios for New Relationships  
Between Japan, Russia,  
and the United States**

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## Foreword October 2016

The first version of this Report on Scenarios for New Relationships Between Japan, Russia, and the United States was published 25 years ago. Just after the collapse of the USSR, in anticipation of a visit to Japan by then-Russian President Boris Yeltsin in 1992, we hoped for a breakthrough. Japan and Russia had not signed a formal peace treaty ending World War II for 47 years because of an intractable dispute over the sovereignty of the Northern Territories (to Japanese) or southernmost Kuril Islands (to Russians). 2016 marks the 75<sup>th</sup> anniversary the beginning of a war that ended without a treaty.

The goal of our report was to provide the background documentation and analysis that might help pave the way for the resolution of the dispute, and thus create a positive framework for a new post-Cold War triangular relationship in the Asia-Pacific. As the report's preamble indicates, it was formally presented to the heads of the governments of Japan (Prime Minister Kiichi Miyazawa), the United States (President George Herbert Walker Bush), and Russian President Yeltsin.

Unfortunately, President Yeltsin did not end up visiting Japan until October 1993. At various junctures, Yeltsin promised that he would sign a peace treaty with Japan before the end of the millennium. But in late 1999 he resigned, ceding the presidency and Russia's relationship with Japan to Vladimir Putin. In the meantime, numerous bilateral and multilateral working groups produced other proposals for resolving the dispute, none going much beyond the ideas presented in this report. For long periods,

the territorial dispute and the idea of a peace treaty were pushed to the background as Russia and Japan focused on more practical political and economic engagement. In 2009, the two sides briefly returned to the negotiating table, and then-Prime Minister Putin visited Japan in 2010. Once again, however, Moscow and Tokyo hit an impasse.

The basic contours—and, of course, the history—of the bilateral dispute between Russia and Japan have not changed much since this report was published in 1992. On the other hand, the geopolitical and security trendlines in the Asia-Pacific have changed dramatically, and the triangular relationship between Japan, Russia, and the United States that the report described is no more. The rise of China as a major economic and military power has created a new dynamic in each of the bilateral relationships, as well as in regional and global affairs. Likewise, while the report declared the Cold War “over and buried” in Europe and the Middle East, new standoffs have now emerged in these regions. Russia’s invasion of Georgia in 2008, annexation of Crimea in 2014, proxy war in Ukraine’s Donbas region, and military intervention in Syria’s civil war in 2015 have upended the expectations of the 1990s.

The specter of an old-style Russia has replaced the prospect of a democratizing Russia seeking to cast off the pernicious legacies of World War II and the Cold War and integrate with Western institutions. Since the annexation of Crimea, many in the West have viewed Russia as a revisionist power set on over-turning the post-Cold War security order described in the original report, and an irredentist state laying claim to lost territories and spheres of influence. Consequentially, NATO is trying to revive itself as a

military alliance to defend its members against Moscow. In this context, the resolution of the Russo-Japanese dispute and the normalization of bilateral relations seem further away than ever. Nevertheless, the report's prescriptions from 1992 remain valid, and President Putin has proposed returning to the 1956 Soviet-Japanese Joint Declaration on the territorial dispute (detailed and explained in the report) as the basis for a settlement.

In the 1990s, it was hoped that Japan, Russia, and the United States would develop a common view of Asia-Pacific security as concerns about each other's Cold War military postures diminished. The scholars engaged in the study believed that the successful resolution of the dispute could become a pillar of regional stability and prevent an eventual power vacuum that, they presciently concluded, a "more aggressive China or insecure Japan could feel obliged to fill." In 2016, a renewed effort to resolve the dispute by both Russia and Japan has occurred against this very scenario. Instead of opening the way for more Japanese economic investment in Russia as the 1992 report advocated, however, a resolution of the territorial dispute would now be an investment in Russia and Japan's security.

In 2013, fears of a military confrontation with China over another set of disputed islands, the Senkaku Islands in the East China Sea, became particularly acute in Japan. Tokyo has been especially concerned that the close economic and political partnership that Russia and China have developed since 2001 might lead to closer military cooperation, and that Russian arms sales to China will strengthen the Chinese military in ways that could seriously threaten Japan. Tokyo began to look for options

to complement its alliance with the United States to bolster its security against Chinese aggression in the Asia-Pacific, including exploring ways of diluting the Russian-Chinese rapprochement before it reached a strategic tipping point. Senior Japanese officials alerted American policymakers and experts to the rising threat from the Sino-Russian relationship and in private meetings with U.S. counterparts described China as “the biggest existential threat to Japan since 1945.”

Moscow is also wary of China’s regional ambitions, in spite of its partnership with Beijing. China’s expanding naval activities in and beyond the Pacific Ocean have increasingly intruded on Russia’s maritime domain. In 2012, for example, a Chinese icebreaker passed through the Sea of Okhotsk on its way to conduct China’s first Arctic expedition. In 2013, after a joint exercise with the Russian navy, Chinese naval vessels startled Moscow by sailing home through the Sea of Okhotsk and the Kuril Islands chain. Russia subsequently successfully petitioned the UN to recognize the entire seabed of the Sea of Okhotsk as an extension of the Russian continental shelf, and closed the sea to fishing by both China and Japan in 2014.

In the rapidly evolving geopolitics of Asia, both Russia and Japan now view improving their bilateral relationship as a hedge against China, putting the resolution of the territorial dispute and the conclusion of a peace treaty back on the top of their shared agenda. To jumpstart negotiations, in 2013 Prime Minister Shinzo Abe became the first Japanese leader to make an official visit to Russia in over a decade. Since then, Russian President Putin and Prime Minister Abe have met numerous times on the sidelines of large

international events, steadily stepping up their personal encounters and diplomatic engagement. Earlier this year, Moscow and Tokyo began to prepare the ground for yet another much-anticipated, potentially momentous visit by the Russian President to Japan in December 2016. This activity has prompted the decision to re-release this report, as a reference point for policymakers, scholars and experts.

To restate again the principal conclusion of the report: the single most important step is to *transform the issue* by moving past a zero-sum game focused entirely on control of islands and instead seeking outcomes in which all parties are net winners. This is now premised on the belief that dealing with the very real challenges posed by a rising China is more important than owning a few small islands (which, after all, could soon succumb to rising sea levels).

For Russia, this means transforming the issue to focus on its national interests. The question should not be “how many islands will Russia return to Japan?”, but rather “should Russia seek to negotiate a comprehensive agreement with Japan that resolves this dispute in a way that enhances Russia’s security, political standing, and economic well-being?”

For Japan, the question should be “how much does Japan really care about the recovery of these disputed islands and how forthcoming is Japan prepared to be in making the advantages for Russians in any resolution outweigh the costs?”

Identifying the terms under which the two parties might compromise in an agreement that meets the minimum essential interests



of each is not that hard. To underscore this point, the report identifies 66 possible scenarios for successful resolution of the dispute. There have already been some encouraging signs in this regard, as Japan has reportedly proposed that the two countries jointly administer some of the islands.

Mobilizing the political will to accept a compromise is another matter. Inside both nations, interested parties demand much more than minimum essential interests. And the issue has now been wrapped in symbolism in both nations that would be difficult to penetrate. Nonetheless, the continuing rise of a more powerful and more assertive China is increasingly changing the geopolitical chess board for Moscow and Tokyo. We hope that this report will, once again, prove useful for the governments of Japan, Russia, and the United States as they reconsider how to overcome the current impasse.

**—Graham Allison and Fiona Hill**

October 2016



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## PREFACE

The Report on Scenarios for New Relationships Between Japan, Russia, and the United States was prepared for the heads of the governments of Japan, Russia, and the U.S. It was presented first to Prime Minister Miyazawa, President Yeltsin, President Bush, and their key associates in early August of 1992 as the governments prepared for President Yeltsin's scheduled mid-September visit to Tokyo. During the year in which the study was being conducted, and after the draft Report was delivered, the coauthors of the Report have had repeated conversations with responsible individuals in all three governments.

Our objective in this study was to provide an array of *scenarios* for overcoming obstacles to fully normalized relations between Japan and Russia with the possible assistance of the United States. The co-authors have ties to the policymaking community in each of our countries and take seriously the views of the governments involved, but are not bound by them. We hoped that by reviewing the evidence, attempting to look at these complex issues through each other's eyes, and producing a joint analysis, we might discover insights and suggest possibilities that would be useful for all of the governments. Indeed, both in the process of this study and in the product, we have attempted to *challenge* the community of interested parties, inside and outside the governments of the three nations, to greater inventiveness and determination.

This Report is, we believe, a first. We have been unable to identify any other instance in the histories of these great nations in which independent scholars from all three have worked together to write a Joint Report. We have undertaken our study with a sense of responsibility. As background, we have read all the major documents from the three-century history of these relationships in all three languages. (We have collected these documents and are making them available to other analysts.) We have studied carefully the statements of the governments about the issues. We sought the counsel of officials in all three governments. We have commissioned a series of papers by analysts in all three countries. We have benefitted from the advice of more than 100 scholars, former officials, and private sector leaders in the three countries on these issues. Work supported by this project has led to the publication of one book, and several of the other studies will subsequently be published as books.

In September 1992, as Yeltsin looked hard at this dispute, he saw the problems clearly, specifically the lack of adequate preparation on all sides. So he postponed a visit



that appeared to him likely to lead to failure, leaving open the door for the visit to be rearranged after satisfactory preparation.

We judge the postponement a disappointment, but not a debacle. The central arguments, identified in the analysis we presented to the governments before the September visit remain, in our view, on target. Thus what follows is our original Report, lightly from individuals in government who read the first draft.

As scholars and citizens who believe that the interests of our three nations are not well served by the current impasse, we will continue our research in the hope that better understanding could lead to a more satisfactory outcome. We found this experiment in trilateral cooperation challenging, especially given the time differences between Tokyo, Boston, and Moscow, as well as the difficulties in dealing with materials in three languages. Nonetheless, in our view, the benefits from such collaboration outweighed these costs.

We want to express our deepest appreciation to the officials in the three governments who invariably gave us hearings, even when they disagreed with our views. Their willingness to take seriously the arguments made by outsiders was unfailingly gracious, even when our advice implied criticism. For the more than 100 scholars and officials whose advice we sought and took in preparing this Report, we express our thanks.

The Trilateral Study was performed under the aegis of the Strengthening Democratic Institutions Project of the John F. Kennedy School of Government at Harvard University. The Strengthening Democratic Institutions Project works to catalyze and provide support for three great transformations taking place in Russia and the other republics of the former Soviet Union: to sustainable democracies, free market economies, and constructive international relations. The Project is funded by the Carnegie Corporation of New York and the Ann and Gordon Getty Foundation of California. Primary financial support for this specific Study and the Report was provided by the Sasakawa Peace Foundation of Japan, to whom we press our gratitude.

# MAPS

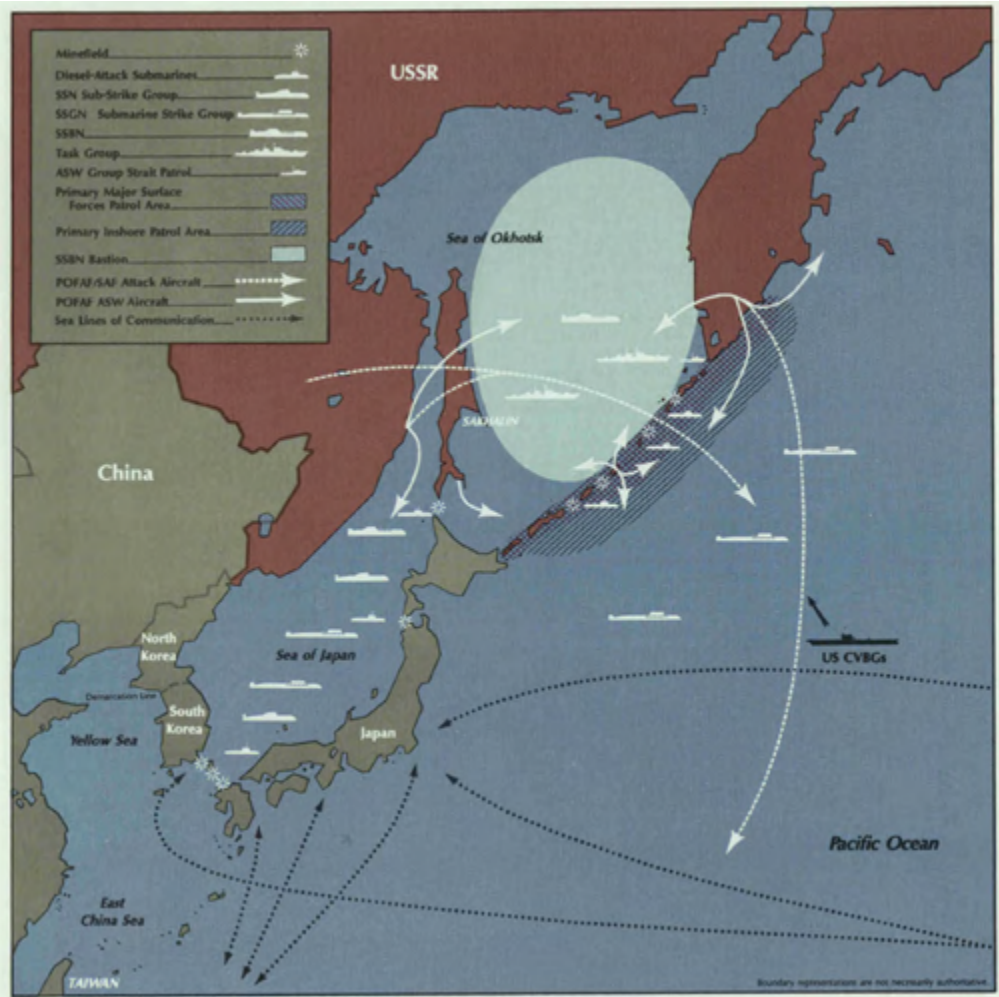
On the following pages, we have included three maps that show Soviet military deployment in the northwest Pacific region and around the disputed islands during 1989. Besides illustrating the military-strategic considerations in the Kurils dispute, the maps provide a geographical overview of the region.

These maps were provided by the United States Department of Defense and were published originally in *Soviet Military Power* 1989.

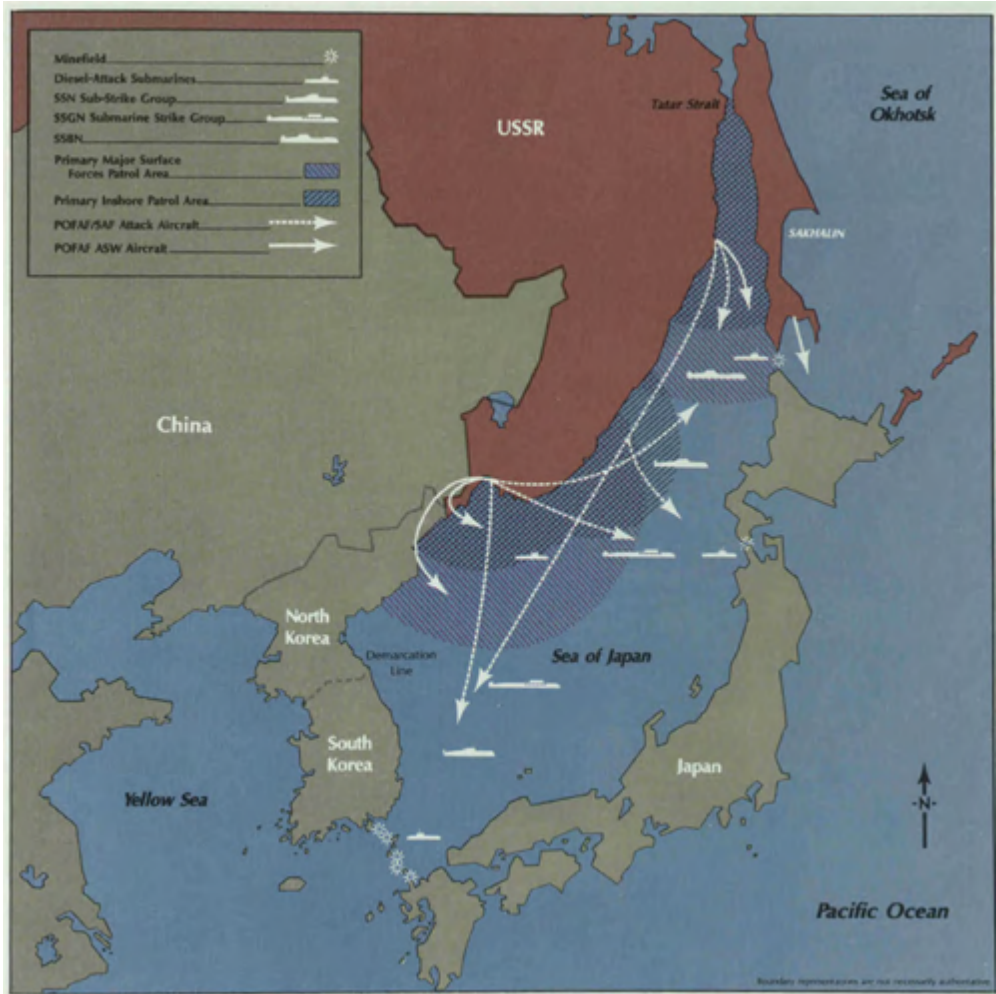
## Soviet Perspective of Northwest Pacific and Deployment Routes



Soviet Operations in the Sea of Okhotsk/Northwest Pacific



## Soviet Operations in the Sea of Japan





## EXECUTIVE SUMMARY

This Report addresses the question of how the dispute between Japan and Russia can be resolved to achieve fully normalized relations between these two great nations. The principal obstacle to normalization is a group of four small islands that stand as relics of World War II and symbols of the Cold War.

The most important conclusion of this Study can be stated succinctly: *there exist many ways to resolve this dispute* —if the leaders of the governments are determined to do so. This report outlines 66 scenarios for successful resolution and discusses in detail three scenarios for achieving full normalization in the next 12 months: an accelerated Yeltsin five-stage plan; a bilateral compromise; and a comprehensive trilateral agreement.

The single most important recommendation of this Report can also be stated in a one line injunction: *transform the issue*. As President Yeltsin approached the scheduled visit to Japan in September, the dominant question was: “How many islands will Yeltsin return to Japan in Tokyo?” Confronting that definition of the issue in September, President Yeltsin canceled his visit. To have allowed the issue of normalizing relations between two great nations to be reduced to the question of how many islands Yeltsin would return to Japan when he visited Tokyo must count as a major failure of diplomacy. Posed in such crude zero-sum terms, the answer is pre-determined. Particularly in its current condition, Russia will not give up anything to anyone unilaterally—nor should it be expected to.

In the wake of the canceled visit, resolution of this issue will be more difficult, not less. But the challenge for diplomats in Japan, Russia, and friendly countries like the US remains the same: to transform the conception and dominant face of this issue. The defining question for Russia should become: “Should Russia seek to negotiate a comprehensive agreement with Japan that resolves this dispute in a way that enhances Russia’s security, political standing, and economic well-being” Russians should have to choose between a probable package that advances Russian interests in every dimension on the one hand, and continued stalemate on the other.

For Japan, the defining question should become: “How much does Japan really care about the recovery of these disputed islands and how forthcoming is Japan prepared to be in making the advantages for Russians in any resolution outweigh the costs?”

For the US, given the profound miscommunication revealed in events surrounding the canceled visit, the issue should be whether the parties need, and the priority of the issue merits, the kind of intense involvement the US demonstrated in resurrecting the Middle East peace talks.

In more technical terms, the question must become: Can this zero-sum game be transformed into a positive-sum game? Our Report identifies a number of scenarios in which all parties are *net* winners.

Beyond the major conclusion and major recommendation stated above, other significant conclusions and recommendations include:

1. The history of this dispute is more complex than recognized in the official positions of any of the three governments. In the course of our study, we encountered many blank spots, exaggerations, and misconceptions in all three countries. As a result of decades of Stalinist and Communist propaganda, most Russians believe that the four disputed islands are Russian and were historically Russian—despite the fact that never in Russia's 1000 year history did Russia have title or control of these islands, save in the 47 years since Stalin seized them. In claiming all four islands, Japan often neglects or obscures the clouds over its title to the two larger islands, Iturup, and Kunashir. These derive from ambiguities about which islands were renounced in the 1951 Peace Treaty; subsequent interpretations of Japan's administrative practice during the period prior to 1945 in which it controlled the Kuril islands; and the willingness of many in the Japanese government, including the then Foreign Minister Shigemitsu, to recognize Russia's sovereignty over the two larger islands in the period leading up to the 1956 Joint Declaration. Nor is the US an innocent bystander. Conspiracy theorists exaggerate in seeking to give Franklin Roosevelt credit, or blame, for luring Stalin into the trap of seizing the islands at Yalta. But Secretary of State John Foster Dulles did deliberately frustrate resolution of the dispute in 1956 in order to solidify Japan's role as the Asian pillar of the Cold War confrontation against Soviet Communism. This history cannot be erased. It must be confronted and overcome.
2. The obstacles to normalization of relations between Japan and Russia are formidable and not to be underestimated. The disputed territories have high salience in the domestic policies of both countries. the situation is complex and rapidly changing. Overcoming these difficulties in the relationship over the next 12 months, or even over the next several years, will not be easy. Nevertheless, failing to overcome these obstacles in the months, not years, ahead is also fraught with many dangers for Japan, Russia, the US, and the world. Having assessed the balance of interests and risks, we believe that the net costs of hesitation by the governments to move boldly to a resolution sufficient to normalize relations is much higher than the costs and risks of seeking a bold resolution *now*.

3. For Russia, the challenge in transforming the issue is to focus on Russia's national interests. President Yeltsin will not give away anything, nor should he make unilateral concessions. His goal must be to defend and advance Russia's national interests in a manner consistent with the principles of law and justice that he has stated for the new democratic Russia. In focusing on these interests, he must recognize certain vulnerabilities:
- Stalin's errors leave Russia without internationally- recognized sovereignty over southern Sakhalin and the eighteen undisputed islands of the Kuril chain.
  - In seizing and holding the four disputed islands and refusing to sign the 1951 San Francisco Peace Treaty, Stalin fell into a trap and allowed the door to be locked.
  - The Soviet Union agreed in the 1956 Joint Declaration to return the two smaller islands of Shikotan and the Habomais to Japan, after the conclusion of a bilateral peace treaty.
  - Japan has some basis for its claim to sovereignty over the larger two islands.
4. At this point, resolving the dispute will require both Japan and Russia to compromise. Russia should insist upon conditions that protect it against material loss and that assure Russia significant net gains in its territorial claims to the remaining territories, its national security, and its economic well-being. Specifically, these might include:
- Guarantees that Russia will retain all present right to *fish*, to *natural resources*, and to the 200 mile *economic zone* around the disputed islands.
  - Guarantees that Russia will retain all current rights to free and safe passage of ships through the straits between Iturup and Kunashir, and between Iturup and Urup.
  - Gains in *territorial* terms from Japan's recognition of Russia's sovereignty over southern Sakhalin and the eighteen Kuril islands, renunciation in perpetuity of all claims to this Russian territory, and denunciation of revanchist elements in Japan who assert such claims—including the Japanese Communist Party.
  - Gains in *national security* from (1) guarantees that the disputed islands will remain forever demilitarized; (2) reciprocate reductions in American and

Japanese forces in the area for Russia's current and inevitable reductions; and (3) a new role for Russia as a "cooperation partner" with Japan and the US in their Security Treaty.

- Significant *economic gains* from (1) Japanese payment from all costs of relocating troops now stationed on the islands; (2) Japanese assumption of a lead role in a massive program of long-term G-7 aid for Russian reform beginning with the Japanese contribution of \$5 billion per year over the next decade.

The question for the Yeltsin government should become: if such a package were available, would it prefer this comprehensive agreement to the current stalemate?

5. To transform the issue, the Japanese will also have to stretch. Japan has been uncompromising in its demand that the islands are Japanese, that they were occupied illegally by Russia in 1945, and that they must be returned. But it has now recognized that continuing to repeat the demand for their return is insufficient. In the past year, Japan has demonstrated more flexibility in its approach to the issue. Still more will be required.

The challenge for the Japanese government is to decide that Japan is prepared to provide net gains for Russia in all significant currencies and to communicate these benefits with sufficient credibility to encourage Russia's reconceptualization of this issue. This should include communication of Japan's willingness to be quite flexible on everything beyond the principle of sovereignty, including timing, modalities, and conditions.

- Starting discussion now of a program for improving the lives of the islanders in the transitional period after Japan's sovereignty is recognized.
- Communicating unambiguously Japan's readiness to become a lead donor in a G-7 long-term program of support for Russian reform in which Japan would provide \$5 billion per year over the next decade.
- Making clear Japan's commitment to make the process of normalizing relations between these two great nations a positive sum game in which Russia suffers no net loss but rather the opposite: significant net gains in every important category, including security, politics, and economics.
- Communicating clearly that Russia's reaffirmation of 1956 and a willingness to

negotiate about all outstanding issues will be a sufficient first stage in a process that can, over the months ahead, lead to a solution.

6. The US is not just a third party. It is implicated in creating the impasse. As the “global partner” of one of the parties and an “emerging partner” of the other, its interests will be affected by the resolution.

The US calculation for transformation thus includes:

- Substantial financial and technical assistance to sustain Russian reform and prevent collapse back into authoritarianism or civil war are among America’s highest priority interests. The national security consequences of a disintegrating superpower’s nuclear arsenal are unthinkable.
  - If there is to be substantial financial assistance to Russian reform, Japan must become a major donor. It is the only major surplus economy in the world.
  - Japan has the capacity and the latent willingness to provide financial support for Russia. *if but not if* the territorial issue is successfully restored.
  - The US has a great opportunity to serve as a catalyst in helping each nation transform the issue and to serve as honest broker and guarantor in the process of successful resolution.
7. We urge all parties to set ambitious objectives for the months ahead. A problem that has festered for 47 years will not be solved in 47 days. But time is not necessarily an ally in this case. Russia needs now the kind of financial and technical assistance only Japan can provide. A year or two down the road, who can guarantee that Russia will be Russia, or that democratic reformers will be seeking cooperative relations with the industrial democracies? Moreover, Japan’s assumption of the G-7 chair in January 1993 and preparation for the G-7 summit in Tokyo in July 1993 to which President Yeltsin will doubtless be invited establishes a deadline for decisions.

The objective for the next several months should be to prepare the ground for the first meeting between Yeltsin and Miyazawa in January and February. For Russia, preparation has both an internal and external dimension. Internally, this should include a concerted domestic campaign to confront the facts about this issue by publishing documents and promoting discussion that will expand the space for compromise.



Externally, preparation must include an effort to rebuild basic working relations with Japan and engagement of the US as an active broker. For Japan, adequate preparation for a Yeltsin visit will also require work at home as well as explaining that resolution will be a multi-year, step by step process. More frank discussion about the contrast between the failure of the “all or nothing” approach pursued by some in Japan, and the success of more subtle strategies adopted by Germany before reunification, for example, should help drive home the point. In its external relations with Russia, Japan should decide and communicate clearly both bilaterally and through the US that (1) reaffirmation of 1956 and a willingness to negotiate about all other issues is a sufficient first step for a successful visit, and (2) Japan is determined to resolve this issue in a way that advances Russia’s net national interests.

8. The most direct road to resolution begins with the basic formula  $2 + \alpha$ : “2” being the two smaller islands Russia promised to return to Japan in 1956; “alpha” being the additional considerations regarding modality, timing, conditions, and compensation. The objective for a Yeltsin visit to Japan in early 1993 should be a major, successful first step. This should include Russia’s reaffirmation of the 1956 Joint Declaration and a proposal to negotiate about all remaining issues according to an agreed timetable, on the one hand, and Japan’s applause of that act and a significant response that communicates Japan’s commitment to a resolution that yields net advantages for Russia on the other. Both in the months leading up to that visit, and on that occasion, each leader must seek to reinforce the message with related initiatives including a sincere apology by Russia for the suffering the Soviet Union inflicted on Japanese POW’s and an apology by Japan for Japanese aggression which caused Russia suffering on several occasions, including intervention in Siberia during the Civil War.

The visit should be followed up immediately by high-level negotiations, assisted by a US emissary, in which specific terms and conditions for a comprehensive agreement on the principles of mutual advantage are hammered out. In the best case, Japan, Russia, and the US would announce in June 1993, prior to the July G-7 summit, a comprehensive agreement between the new trilateral partners in the Asia-Pacific. This would include redefinitions of the trilateral parties’ security relationship (including internationally-recognized borders, reductions in trilateral military forces, and an emerging security arrangement between these parties based on the existing US-Japan Security Treaty); economic initiatives (including the Japanese-led G-7 multi-billion dollar program of Economic Cooperation and

Assistance); new political relations; the signing of a Japanese-Russian peace treaty; return of the two smaller islands; Russia's acknowledgement process for return of the two larger islands over a decade or more.

9. All parties should reflect on the lessons of the postponement of the Yeltsin visit. The cancellation constituted a compound diplomatic failure: multiple fractures caused by diplomatic faults in all three governments. Fortunately, the postponement was more a disappointment than a setback. Consider what the possibilities would be now if the trip had gone forward and ended in failure. The domestic obstacles to flexible pursuit of Japanese and Russian interests in resolution are more powerful in the aftermath of cancellation than before. Successful resolution will require that they be addressed and outmaneuvered. If the Japanese and Russian governments are prepared to go forward on the basis of the principles we urge in this Report, they must communicate this fact to each other more clearly and credibly than they did in the weeks and months before the scheduled September visit. If the parties choose to engage the US. To help overcome the mistrust and suspicion that makes effective communication so difficult, the US will have to involve both parties in thorough discussions about how far and how fast each is able to go. In preparation for the Yeltsin visit, trusted representatives of the governments should have formulated and agreed upon principles, a framework, and specific actions each would take to make the visit a highly successful first step towards a solution.

The most important role for the US prior to a Japanese-Russian Summit is as a catalyst in helping each come to a larger conception of the issue, reassuring each about the sincerity and seriousness of the other, and being available as a partner in the process that follows.

10. The balance of forces within Japan and Russia today—domestic politics, government politics, and bureaucratic politics—clearly favors continued *stalemate* rather than *solution*. If our study were an exercise in forecasting rather than analysis of solutions, we would predict that this unresolved dispute is likely to be around for scholars to study for several years to come. Nonetheless, if the findings of our analysis are correct, they call into question the main lines of defense offered by the governments involved for their failure to resolve this dispute. Specifically, the interests of the parties are *not* irreconcilable. The principles on which each appropriates resolution are *not* insurmountable. This dispute will persist unresolved, if it does, for lack of leadership, imagination, courage, determination, and follow through.



## CHAPTER I

# Introduction: The Shape of the Problem

On the global canvas of international politics today, what is the most striking anomaly? Of all the major powers, two alone remain mired in a Cold War confrontation, without a peace treaty to conclude a war that ended forty-seven years ago, without normal relations.

The contrast between Russia's relationship with its major European adversary in World War II, Germany, and its relationship with its Asian adversary, Japan, is striking. So, too, is the contrast between the thickening web of relations among Europe, Russia, and the United States on the Western front, and the absence of such relations among Japan, Russia, and the United States in the Asia-Pacific.

This has been called the era of "tectonic" change in international politics. The fundamental tectonic plate supporting the bipolar confrontation that was the defining feature of the past four decades has shifted. The consequences of the collapse of the Soviet Union for the entire geopolitical surface of the earth are now being felt in Central America, the Middle East, Africa, and around the globe.

In Europe, the Cold War is over and buried: the Berlin Wall demolished; Russian troops in Germany and Eastern Europe withdrawing; confrontation between NATO and troops in the Soviet-led Warsaw Pact concluded with substantial reductions in forces on both sides under the Conventional Forces in Europe Agreement; and Germany reunified. Inside Russia, Communism has been defeated and a democratically-elected government seeks to build a new Russian democracy on the basis of a real market economy.

Only in Asia, and most singularly in Russian-Japanese relations, does one find the Cold War essentially frozen in time.

Oddest of all, from a global perspective, is the obstacle to full normalization of Japanese-Russian relations. The issue is not, as it was for Germany, the loss of one third of the nation's land mass and population to the Eastern bloc. The issue is not a menacing military threat, nor resources of economic value.

The issue is a dispute about four small islands that stand as relics of World War II and symbols of the Cold War. Even the names of the islands are disputed: they are the Northern Territories (to Japanese) or southernmost Kuril Islands (to Russians).<sup>1</sup> For both Japan and Russia

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1. The group of four disputed islands are: Iturup and Kunashir to Russians or Etorofu and Kunashiri to the Japanese, Shikotan, and the Habomais

today, the significance of these disputed islands is essentially *symbolic*, not substantive. This report's survey of 66 scenarios for overcoming this barrier to normalized relations includes the half-facetious "Krakatoa Scenario."<sup>2</sup> If these four islands simply sank into the sea from natural causes, would the contention not disappear? How much loss or regret would be felt in either Russia or Japan? In an era of such profound and rapid change in international politics, is it possible that such an obstacle should stand in the way of normalized relations between Japan and Russia, thereby hindering the progress of each, the Asian region, and the globe?

From the perspective of independent students of international affairs, the current confrontation appears anachronistic. Several considerations lead us to conclude that the time is ripe for a fresh examination of these issues. First, with the end of the Cold War, there is now a progressive *de-ideologization* of the foreign policy of Japan, the United States, and above all Russia. With the disappearance of the Soviet Union, the defeat of Communism, and its own subsequent democratization, Russia is now making a determined effort to establish new relationships with other nations on the basis of "law and justice," as President Yeltsin has repeatedly stated.

In parallel, Japan's foreign policy towards Russia has recently expanded beyond its flat, one-dimensional focus on the resolution of this islands dispute to two dimensions. Insistence that the territorial dispute be resolved is now complemented by support for democratization in Russia and participation in the international community's efforts to that end. Japan has pledged \$2.5 billion in humanitarian and technical assistance, contributed to G-7 support for Russia through the IMP and World Bank, and indicated a clear willingness to do more as relations develop.

Second, the end of the Cold War has brought a sea change in security relations with the Pacific, including a transformation in the security concerns of the big power triangle: Japan, Russia, and the US. While the security dimensions of these islands were never the major considerations in the tangled history of this issue, uncertainties about sea lines of communication, threats to strategic bastion in the Sea of Okhotsk, and the wider effects of the US-Japan Security Treaty nonetheless contribute to concerns in the Russian military establishment. As President Yeltsin takes concrete steps to transform Russia from "enemy" to "partner" of the US, and both nations shrink their Cold War military establishments, these concerns should be greatly diminished.

Third, this is an era of redefinitions of national security and foreign policy, especially for Russia and Japan. Russia is a new country, shorn of the Union of Soviet Socialist Republics. It seeks a redefined identity both within and without. Japan self-consciously enters the "third

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2. For further discussion of the "Krakatoa Scenario," see Appendix A.



era” of its own postwar foreign policy.<sup>3</sup> As a major Asian power, Russia must be addressed by this new policy.

## **The Trilateral Study**

As scholars of international politics who seek to understand the profound changes now occurring, we have been struck by the stubbornness with which both Japan and Russia insist on facing backwards, fixated by old disputes, rather than looking forward to new possibilities. We have the sense that a great opportunity is being missed. Consequently, our group of American, Japanese, and Russian academics has undertaken what we believe to be a unique endeavor. As individuals and independent scholars, with private foundation support, we have sought to make an objective review of the relations between Japan, Russia, and the US—unconstrained by prior positions taken by any of us, or by the governments of the countries from which we come, or by any direct responsibility for the policy of those governments.

We have focused on the triangle of relations between Japan, Russia, and the US for two reasons. First, constructive relations between the three are essential to peace and prosperity in the Asia-Pacific Region. With the disappearance of the Soviet Union, the decline in its military presence and the subsequent reduction in US forces in Asia, a power vacuum may be created in the region. A more aggressive China or insecure Japan could feel obliged to fill such a vacuum. The authors of this study believe that a trilateral security and political structure emerging from successful resolution of the Kuril Islands dispute could become a pillar of stability in the Asia-Pacific. Stable, cooperative relations between Japan, Russia, and the US would provide a basis for further comprehensive, multilateral agreements and arrangements. The trilateral agreement we purpose would involve extensive discussions with other affected states and would seek to address their concerns.

Second, because of the three countries’ peculiar and overlapping histories in the region, and the culpability of each in the Kurils dispute, we felt it necessary to explore how all three could contribute to greater peace and security in the region. From Japan’s unjustified aggression during World War II, to Stalin’s illegal seizure of the Kuril Islands to capitalize on his diplomatic coup at Yalta, to US Secretary of State John Foster Dulles’ intervention to frustrate a settlement of the dispute in 1956, each country has contributed to the difficulties in current Japanese-Russian relations. It is therefore fitting that all three work together to resolve those difficulties.

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3. As the 1991 Foreign Ministry Bluebook states, it is now moving beyond the previous phase, in which it joined the industrial democracies on the world stage, towards greater cooperation with its neighbors in Asia.

Our objective in writing this Report is not to produce a history, nor a volume of new essays, but rather a *policy analysis* that provides a menu of *scenarios* for overcoming obstacles to fully normalized relations between Japan, Russia, and the US. This analysis focuses on the history of the dispute and the course of trilateral diplomacy, the international legal aspects of the problem and the military-strategic, economic, and political dimensions of the dispute. While mindful of other factors that will shape the resolution, particularly domestic political struggles in each country, the authors of this Report have not presumed to offer advice about tactics in domestic politics. Rather, we have sought to analyze the interests of the states, the obstacles to resolution, and the opportunities for overcoming these obstacles to achieve a mutually-acceptable solution.

It is our hope that these scenarios will suggest various possibilities to responsible officials in all three governments for overcoming these barriers. If they stretch, we believe they can not only achieve normal relations but also a more productive trilateral partnership in the Asia-Pacific region.

## Conclusions

Our central conclusions are three:

1. The obstacles to normalization of relations between Japan and Russia are formidable and not to be underestimated. The situation is complex and rapidly changing. Overcoming these difficulties in the relationship over the next 12 months, or even the next several years, will not be easy. Nonetheless, failure to overcome these obstacles in the months, not years, ahead is also fraught with many dangers for Japan, Russia, the US, and the world.
2. In Chapter 4 of this report, and at much greater length in Appendix A, we sketch a spectrum of scenarios for achieving normalization. The appendix lists 66. None is easy. None is without risk. But certain conclusions seem inescapable: the number of possible paths to normalization of relations is large; the list of specific action each of the three governments could be taking now to advance the prospects of normalization is lengthy. The main question is: how determined is each government to achieve normalization?
3. Weighing all the interests, costs, benefits, and risks, we find the objective factors closely balanced between *stalemate* on the one hand, and *solution* on the other. At such crossroads, history invites statesmen to exercise leadership. Such is history's invitation to the leaders of Japan, Russia, and the United States today.

## CHAPTER II

# Background, Interests, Obstacles, and Questions

### Background

Japan and Russia find themselves today in an *abnormal* relationship: they lack a peace treaty, an agreed border, or fully normal relations. The cause: an unresolved dispute about four islands. Since the first agreed territorial demarcation between these two great nations a century and a half ago, the border between them ebbed and flowed up and down the Kuril Islands chain, reflecting the relative power of the nations and their agreements after wars. In addition, in the aftermath of the Russo-Japanese War of 1905, Japan not only possessed but also acquired title to southern Sakhalin, which it held until World War II.

In February 1945, at Yalta, as a condition for the Soviet Union's entrance into the Pacific War, Stalin extracted from Roosevelt and Churchill an agreement that the Soviet Union would recover southern Sakhalin and obtain the "Kuril Islands" after Japan's defeat. (In fact, Stalin also aspired to occupy the northern part of the Japanese island of Hokkaido.) None of the three leaders offered any definition of the extent of the "Kuril Islands" at this juncture, which left the term "Kuril" open to future interpretation.

On April 5, 1945, the Soviet government announced its termination of the Soviet-Japanese Neutrality Pact of 1941, thus paving the way for Soviet entry into the Pacific War. Immediately after the dropping of the atomic bomb by the US on Hiroshima, Stalin declared war on Japan and began Soviet military operations in Northeast Asia on August 9, 1945. Soviet forces were instructed to seize southern Sakhalin and the "Kuril Islands," but did not move onto the islands (including the disputed territories) until after the Japanese government had announced its unconditional surrender on August 14. Although they met with little or no resistance from Japanese troops on the islands, the occupation of the Habomais actually took place after the official signing of the Act of Unconditional Surrender by Japan on September 2, 1945. Soviet soldiers and citizens began to settle on the islands almost immediately after their occupation, repatriating the inhabitants of the islands to Japan.

In the San Francisco Peace Treaty of 1951, Japan renounced all right and title to “southern Sakhalin and the Kuril Islands.” But the treaty contains no statement about who would be the legal recipient of these territories. Stalin failed to sign the Peace Treaty, thereby forfeiting the opportunity to acquire unquestioned title. Moreover, the 1951 Peace Treaty left considerable ambiguity about rights to the four disputed islands. Some documents indicate that the Peace Treaty’s reference to “Kuril Islands” included the four disputed islands, and therefore meant that Japan also renounced its claim to them. Others suggest that the term “Kuril Islands” refers only to eighteen islands stretching from Urup to the Kamchaka peninsula, thus excluding the disputed islands from Japan’s renunciation. Still other documents imply differences between the four: the two small islands being part of Hokkaido and thus remaining Japanese, and the larger two being “Kuril Islands” and thus renounced by Japan.

In 1956, Japan and Russia negotiated a Joint Declaration, taking a major step toward normal relations, including the establishment of diplomatic relations and the return of prisoners of war. In this Declaration, Russia committed itself to transfer the Habomais and Shikotan to Japan after the signing of a peace treaty. How the parties planned to resolve their dispute about the two larger islands remains a subject of contention. Some sources clearly show that at certain junctures the Japanese were prepared to consider renouncing claim to these islands in favor of Russia; others show otherwise. That the US played a role in this process is also evident. The US did not clarify its ambiguous stance regarding the term “Kuril Islands” until 1956. At that point, the US government deliberately frustrated Japanese attempts to reach a settlement on the basis of the two smaller islands. Secretary of State Dulles warned that Japan’s renunciation of its claim to the two larger islands would jeopardize Japan’s claim to the much more important island of Okinawa, which the US was then occupying.

During the Cold War, this territorial dispute reinforced Japan’s readiness to confront Russia as part of the Western alliance, a position formalized in the 1960 revision of the Security Treaty between Japan and the US. Today, as democratically-elected Russian President Yeltsin seeks to join the industrial democracies in celebrating victory in the Cold War over Communism and Stalinism, this territorial dispute looms as an anachronistic barrier to his country’s progress.<sup>4</sup>

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4. For additional background, see Appendices D, F, and G.

## Interests

The interests of the trilateral nations in resolving this dispute and fully normalizing relations can be considered both narrowly and broadly.

For *Russia*, in the narrow sense, disposition of the islands is more a matter of symbolism and national pride than of substance. Given the severe economic and political dislocations that the country has undergone in the last year, and the traumatic experience of the loss of empire, Russia cannot sacrifice or sell what is perceived to be Russian territory. The current Russian administration is interested in survival, and must therefore tread carefully in taking any action that could be falsely misrepresented by opponents in such terms.

Beyond the question of presenting opponents with additional targets, assertions that Russia's military-strategic opportunities, security interests and material interests (including fishing and natural resources) will be significantly compromised by resolution of the islands issue are frequently exaggerated by conservative military and bureaucratic structures opposed to territorial concessions. These concerns must be addressed, but they can be adequately compensated in mutually satisfactory agreement, as discussed in this Report.

Much broader interests, that go to the heart of Russia's national interests today, will be affected by normalization—or the failure to normalize relations. First among these is the need to successfully transform Russia into a stronger and more viable state, beginning with the current commitment to economic reform and democratization. Second is the preservation of the Russian Federation against the powerful disintegrative forces that could cause it to follow the path of the Soviet Union and disappear into the pages of history. Finally is Russia's campaign to overcome the legacy of Stalinism throughout its society as it builds a new Russia on the principles of "law and justice" —both domestically and internationally. This implies overcoming past aggression in occupying the four disputed Kuril Islands and illegally retaining them after World War II in the absence of an international treaty.

For *Japan*, the disputed territories are also essentially a matter of symbolism and national pride. Their continued occupation is a reminder of Japan's Second World War defeat and the consequent loss of a significant portion of its limited land mass. This issue has become a defining constraint in the consciousness and politics of modern Japan, a country that still conceives of itself to be a full-fledged member of the Western powers until this loss has been rectified, especially in the light of the reunification of Germany. Moreover, Russia's refusal to return this territory is misconstrued as grounds for skepticism about the reality of Russia's second revolution and the depth of the reformers' commitment to create a lawful democratic state.

More broadly, Japan has three significant interests to consider in the resolution of the dispute. First, and most importantly, is its security interest. Much more than has been perceived in Japan, the failure of Russian reform, and the disintegration of Russia into chaos and civil wars, would threaten Japan's security more profoundly than any event since World War II. Russia's success in becoming a partner of the industrial democracies would reduce threats to Japan, shrink requirements for defense expenditures, and make possible a more secure Asia-Pacific. A stable and friendly Russia is of vastly more strategic importance to Japan than the possession of four small islands.

Second, Russia is a land of enormous, long-term economic opportunities, especially for Japan. Successful transformation of Russia to a market economy over the next decade would open great possibilities for Japan to develop additional natural resources, including oil and gas, in the area around Sakhalin and in Siberia and the Far East; to form partnerships in various areas of technology, such as the aerospace industry; and to supply a large and expanding market.<sup>5</sup>

Third, Japan should not underestimate the effect that its political posture towards the single most important international issue today will have on views of Japan in the US, Europe, and other economic partner countries. By assuming a leadership role in assisting and shaping one of the most significant transformations in world history, Japan has a unique opportunity to pursue its interest in becoming a political, instead just an economic, player on the world stage. This opportunity will be lost if Japan fails to look beyond its more narrow interest of simply gaining title to the four disputed Kuril Islands. For the US, the issue of the disputed territories was transformed by the outcome of the Cold War. During the Cold War, the territorial dispute was a major asset—defined by two simple geopolitical principles: the enemy of my enemy is a friend; and territorial disputes spur enmity. Today, it has become a major liability. As the US and Russia seek to build a new “partnership,” the United States recognizes its vital interest in the success of Russian economic and political reform, especially in two areas. First, preventing the collapse of Russia and the consequent loss of control of thousands of nuclear weapons ranks among the highest priority security concerns for the United States and the world today. If the 30,000 nuclear warheads in a disintegrating Russia escape central command and control structures and fall into the hands of renegade nations, or individuals, they will become the “mother of all threats” to the US and its allies in the decades ahead.

Second, a non-Communist, non-confrontational Russia must be an essential part of

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5. The former Soviet Union was the world's largest producer of natural gas, for example, maintaining about 40% of the world's reserves. Siberia accounts for two thirds of former Soviet natural gas production and has approximately 77% of its natural gas reserves. This should be an important consideration for Japan, which is seeking to convert 85% of its industries to natural gas by 2002.

any successful new world order. The West needs Russia's cooperation in ameliorating internal and regional conflicts; building a more stable Middle East after the Gulf War; supporting its efforts to restrict the flow of nuclear, chemical, biological and ballistic missile technology; and promoting effective regional and international systems of cooperation. The Japanese-Russian territorial dispute now stands in the way of Japan playing the role it must if the Western alliance is to address these Russian threats and opportunities effectively.

This issue also offers the US an opportunity to demonstrate the continuing value of the US-Japanese alliance beyond the Cold War. That alliance was not only against Soviet Communist expansion but for shared values of democracy, open market economics, and cooperative international relations. US leadership in helping recover Japan's remaining territorial loss can strengthen bilateral bonds and encourage Japan's willingness to shoulder greater responsibility in international affairs.

## **Obstacles to a Successful Resolution of the Dispute and Full Normalization: Questions and Brief Answers**

Obstacles to each of the parties taking the actions necessary to resolve this dispute and reach full normalization appear large. Appendix C summarizes what we believe are the most important of these under five headings: psychological, political, military-strategic, economic, and international. For officials in the three governments who are acutely conscious of such constraints, enumeration of these obstacles may seem redundant. But from our perspective, while the real challenges to achieving a positive resolution of this problem are formidable, what are asserted by many to be insurmountable obstacles are in fact illusions based largely on popular misperceptions. Thus our review of obstacles are and alleged, addresses key objections to resolution raised opponents in the form of questions and offers brief answers.

For both Japan and Russia, the primary constraints are those of *domestic politics*. Each begins with a residue of hostility, mistrust, and suspicion of the other, grounded in a long history of two wars, two serious military conflicts, mutual interventions and violations of bilateral agreements. The new Russia inherits the legacy of generations of Soviet propaganda on this issue, leaving most Russians mired in misconceptions about the facts of this matter. Popular Japanese views also include distortions, reinforced by governmental rhetoric that reached its peak during the Cold War. Old political and strategic thinking has become enshrined in the procedure of the bureaucracies of both, perpetuating habits ill-suited to a post-Cold War world. Against this backdrop, domestic political opposition to both countries' current governments, particularly

opposition seeking to claim the nationalistic or patriotic high ground, threatens to make any change in current positions a rallying point in the struggle for power.

In Russia, the Kurils dispute has become a hostage in the Russian political struggle. During the current economic convulsions, Yeltsin's vulnerability encourages hesitation in making tough political decisions that could feed internal forces of separation and disintegration. In the midst of an ongoing revolution, the government's agenda is overloaded with urgent demands, leaving little time for reasoned examination of issues, or carefully-crafted campaigns to address public views, or reconceptualization of important long-term issues in ways that out-manuever political opponents.

In Japan, this dispute is also hostage to a political consensus that demands essentially "all" or "nothing." Because the issue is fundamentally symbolic, and so firmly embedded in political consciousness, a posture that stands firm on principle but fails is honorable and safe. Initiatives that run the risk of settling on terms that could compromise Japan's sovereignty over all four islands entail danger and create vulnerability to attack. Thus the absence of urgency about when the issue is resolved combined with the calculus of domestic political risk ultimately deter any but the most courageous.

Above all, the overriding obstacle in both nations is time. Given the pace of events in an era of tectonic change, all leaders find it difficult to think clearly and act decisively. In the current debate, especially in Russia, the central outstanding questions are these:

1. *International law*: what do the principles of international law and justice imply for the resolution of this dispute?

Unquestionably, the 1956 Joint Declaration requires Russia to transfer the two smaller islands of the Habomais and Shikotan to Japan after the signing of a peace treaty. Implications for the two larger islands are less clear. Historically, these were Japanese. At no time in Russia's thousand year history, save the 47 years since Stalin occupied them in 1945, did Russia possess this territory. But lack of clarity as to which islands were renounced by Japan in the 1951 Peace Treaty, and the subsequent willingness of Japanese officials to relinquish Iturup and Kunashir at various junctures, creates a crack of doubt about how this issue would be decided if, for example, it were referred to the International Court of Justice.

2. *Security*: can this issue be resolved in such a way that Russia suffers no significant loss of security, or indeed that Russia's security is enhanced?



Historically, the disputed islands had some value in the currency of security. The Friz Straits between Iturup and Urup are wide (35 kilometers), deep (625 meters), and provide an important sea lane for Russian surface ships and submarines. During the Cold War, control of these straits seemed to assure control of the Sea of Okhotsk as a “strategic bastion.”

Whatever military value these islands once had, however, has been largely erased by changes in the technology of modern warfare and politics. In *peacetime* today, Russian surface and submarine forces use not only the Friz, and Yekaterina (between Iturup and Kunashir) Straits, in operating between home ports and the broader Pacific, but three other important sea lines of communication that pass between undisputed Kuril Islands. At present, Japanese, US and other ships operate freely in the Sea of Okhotsk and elsewhere in the area of the disputed islands, since these are international waters. If the disputed islands were returned to Japanese control nothing would change. Any satisfactory resolution of the dispute that returned control of Iturup to Japan would include permanent guarantees of the status of the Yektakerina and Friz Straits as international passages, analogous to the guarantees for the Bosphorus. Operationally this would mean that ships of all nationalities would continue to use these straits as they do today.

Alternatively, in a *wartime* situation with recent advances in the technology of war, the assessment is more complex, but modern naval tactics would probably lead both Russia and its adversary to block the Yekaterina and Friz Straits with mines. Russia’s aim would be to prevent entry of US or Japanese ships in the hopes of creating a strategic bastion; the adversary’s goal would be to prevent Russian ships from using the straits to operate in the Pacific. Again, if the disputed islands were returned to Japan, these objective facts would not be different.<sup>6</sup> Given the ability to lay mines by air and sea, and to attack fixed targets from a distance, the operational value of physical control of the island of Iturup, in either permitting or preventing the passage of ships between the Sea of Okhotsk and the Pacific, would be modest and declining.

Any resolution of the dispute would also have to address, by necessity, Russian concerns over arms reduction processes in the region; the US military potential and the ability to monitor the maneuvers of the entire Russian Pacific Fleet; and the Russian Pacific Fleet’s capabilities to perform strategic tasks.

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6. For more extensive discussion of this, see Appendix L.

3. *Economics*: what would be the economic consequences of a resolution of this dispute that returned the islands to Japan?

Any satisfactory resolution would require Japan to guarantee that Russia would suffer *no material loss* as a result of the transfer of territory. This should include provision of funds for relocating military facilities and personnel on the four disputed islands (analogous to German payments for relocation of troops stationed in Germany); guarantees of Russian fishing rights in the 200 mile zone around the islands to assure that Russia can retain all opportunities for fishing that it has now;<sup>7</sup> assurances about current or future natural resources discovered on the islands or in the surroundings territorial waters; etc. in addition, any satisfactory resolution of this issue must also involve Japan's assumption of a leadership role in economic support for Russian reform—not as a quid pro quo but as a rightful consequence of relations having been normalized and Japan's assumption of its normal international responsibility.

4. *The islanders*: what would the consequences of a settlement be the islanders?

Any satisfactory settlement should guarantee that the current inhabitants of the islands suffer *no loss*, and indeed see their live *improve*. This should include guarantees for permanent residence for islanders who remain Russian citizens and the right to apply for Japanese citizenship; assurances for equal rights with Japanese, including rights to own property, invest, and receive social benefits; etc.<sup>8</sup>

5. *Sovereignty*: would resolution of the dispute impose upon Russia a sacrifice of sovereignty over Russian territory?

Reflecting misconceptions crafted by generations of Communist and Stalinist propaganda, many Russians continue to live in a prison of lies about this question. They believe that Russia has always had national sovereignty over the Kurils, including the four disputed islands. In truth, if Russia is serious about becoming a legal state, it must recognize that in having failed to conclude any international treaty to consolidate its position on the islands

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7. These waters are currently being jointly managed by Russia and Japan as part of a larger area on the basis of negotiated quotas. For example, the Japanese were entitled in 1991 to catch 8,000 tons of salmon within the 200-mile Russian economic zone, which compared favorably with the 9,000 ton Japanese quota, also established by mutual agreement, *outside* Russian waters.

8. For an example of Japanese plans to develop the disputed islands, see Appendix N.

it has *neither title nor sovereignty* over the disputed territory.<sup>9</sup> Indeed, Russia today finds itself with no clear international title or sovereignty over the non-disputed islands in the Kuril chain or southern Sakhalin. Obviously, a lawful Russia cannot sacrifice or sell what it does not possess. A resolution of this dispute that recognized Japan's claim to two, or four, islands would therefore constitute *no sacrifice of sovereignty*, but rather a recognition of Japan's existing sovereignty as understood in the 1951 Peace Treaty.

6. *Constitutional or legal* requirements for a *referendum* within Russia: would a resolution that entailed return of two, or four, islands require a referendum to ratify the cession of territory?

According to the Draft Constitution (which has of course not yet been adopted by the Russian Parliament) and the 1990 Russian Declaration of State Sovereignty, any cession of territory by Russia must be subject to a national referendum. Such a requirement is highly unusual among modern governments; the United States, for example, has no such requirement. In any case, this requirement has no bearing on any satisfactory resolution of this dispute. Because Russia has no legal title to the disputed territories, it has nothing to cede. Consequently, a resolution that returned these territories to Japan would not qualify as a "cession" of territory in legal terms, but would rather be a *demarcation of national borders* between Japan and Russia, which they have lacked since World War II. Neither in the Draft Constitution nor in the Russian Declaration of State Sovereignty does such a demarcation of borders require a referendum.

In addition, as far as the Habomais and Shikotan are concerned, nothing more than an act of removing Russian administration from the islands will be required, since the relinquishment of these islands occurred in 1956 with the "*actual transfer of these islands to Japan to take place after the conclusion of a Peace Treaty*" (1956 Joint Declaration). Russia has, since 1956, been retaining possession and control of the Habomais and Shikotan subject to actual transfer to Japan upon the eventual signing of a peace treaty. Even if the islands are considered to be "territory of Russia" for the purposes of the 1990 Declaration of State Sovereignty, this status was in fact altered in 1956 long before the Declaration came into effect. Their transfer would merely implement the agreement made in 1956.

7. *Territorial implications for Russo-Japanese relations*: could a resolution of this dispute that

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9. See further discussion on title and sovereignty below in Chapter III.

recognized Japan's sovereignty over four islands open the door to further Japanese claims to southern Sakhalin and the remaining eighteen islands of the Kuril chain?

Just the opposite. Russia now has an opportunity to insist upon, and secure, Japan's recognition of Russian sovereignty over southern Sakhalin and the remaining Kuril Islands as one condition for Russia's recognition of Japan's sovereignty over the four islands. Specifically, in the peace treaty to be signed by Japan and Russia in resolving this dispute, Japan would permanently renounce all claims to southern Sakhalin, the remaining islands of the Kuril chain, and any other Russian territory. Moreover, the peace treaty would establish an internationally-recognized border between the two countries, certifying the eighteen Kuril Islands and southern Sakhalin as clearly Russian, and undisputed, territory.

8. *Pandora's Box*: how would resolution of the dispute that recognized Japan's sovereignty over four islands affect the claims of other nations against Russian territory?

This question must be considered carefully with a clear focus on Russia's national interest. As a consequence of Russian history, many nations have current disputes and/or potential claims on Russian territory, and Russia, equally, has claims to the territory of others. This is an objective fact that will persist—whatever is done or not done to address the dispute with Japan. The impact of a settlement of Russia's dispute with Japan on other claims would appear to be both uncertain and slight.

Three important cases must be considered when defining the impact a Japanese-Russian settlement could have: Russia's western border with Germany and its other European neighbors; Russia's border with China; and Russia's borders with other republics of the former Soviet Union.

Fortunately for Russia, two of its three European borders with Germany and Finland are now established in international law. That was a great achievement of the Helsinki Accords, and later documents, like the recent CSCE Agreements, have confirmed the recognition of these borders. Russia and Norway, however, are still in contention over the delimitation of the Barents Sea. A successful resolution of the Kuril Islands dispute, with due attention paid to fishing rights, could encourage Norway to seek accommodation with Russia on the basis of an equally mutually-beneficial compromise.

On Russia's Asian front, the long-standing territorial dispute between China and Russia in the Far East has also largely been resolved. In March 1992, China and Russia signed an agreement recognizing an undisputed border covering 2200 kilometers (1364 miles). All that remains in

contention is a 4-6 kilometer stretch at the confluence of the Amur and Ussuri Rivers, including two river islands and an island suburb of Khabarovsk. This dispute is quite distinct from the Russo-Japanese dispute because it involves the *realignment of an existing international border*, rather than the establishment of a new international border. Still unsettled are larger disputes between China and the Central Asian Republics of Kazakhstan and Tajikistan along a long border. China has extensive territorial claims, thus resolution is not likely in the near future.

Current and potential disputes between Russia and other former Soviet republics (such as the Baltic states, Ukraine, and Kazakhstan) are a different matter and cannot be compared to the dispute with Japan. Post-Soviet borders are based on former administrative practice, a number of subsequent bilateral joint declarations, and the December 21, 1991 Alma-Ata declaration of the Commonwealth of Independence States which agreed to existing [Soviet] borders” within the framework of the Commonwealth. If the CIS dissolves, Russia and the other new states will have to conclude new international bilateral and multilateral agreements to establish their respective borders, and resolve their disputes.

Historically, the outcomes of international border disputes reflect primarily two factors: the relative power of the disputants and agreements between them in international law. The “correlation of forces” between Russia and new foreign claimants will be shaped by the success or failure of Russia’s efforts to transform itself, and is thus volatile. In protecting its territory against other foreign claimants, Russia’s strongest lines of defense today are thus a set of agreements that have the force of international law. To the extent that Russia resolves its dispute with Japan on the basis of the principles of law and justice, it might be expected to employ those principles in the quite different case of borders with the Baltic States or Ukraine. This could strength Russian arguments in some instances (for example, Crimea) and weaken arguments in others. But if President Yeltsin wishes to conduct his government on the basis of law and justice, he must apply these principles to the Kurils dispute as well as all other disputes facing Russia today.



## CHAPTER III

# **The International Legal Aspect of the Problem and an Analogy**

Short of war, there are two alternatives to settle this dispute: resolution on the basis of different forms of a political compromise, which we advocate as the most mutually beneficial alternative, or referral of the case to the International Court of Justice (or to another third-party decision maker such as an arbitration or conciliation panel). Both avenues invoke a framework of international law. Appendix H presents a full discussion of the concepts and principles of international law as they apply to territorial disputes. In this section, we review the evolution of the current dispute and summarize its legal implications.

There exists no single legal rule or formula for resolving territorial disputes. Just as every geographical situation is unique, so is every territorial dispute. Over the years, however, certain well-established principles have emerged. Among the clearest is the recognition of territorial sovereignty, and the boundaries expressing that sovereignty, by international legal acts such as treaties that have been duly signed, ratified and internationally registered or publicized. Such sovereignty is fully support by international law and, unless a fundamental defect exist in the legal or treaty framework underlying it, cannot be challenged.

As the legal successor state to the Soviet Union, the Russian Federation assumes all the USSR's agreements and treaty obligations as its own. Therefore, applied to the case of the Japanese-Russian territorial dispute, international law and practice implies the following:

1. The first territorial settlement between Japan and Russia took place in 1855 on the basis of a treaty ratified by their supreme legislative powers (both emperors). According to this treaty, Russia's sovereignty was recognized over the Kurils from Urup to the Kamchatka Peninsula, while Japan's sovereignty over the four disputed island was recognized. Sakhalin remained undefined because it was largely unsettled. Borders between the two countries were otherwise settled from an international-legal point of view.
2. The second territorial settlement on the basis of a treaty took place in 1875. Russia exchanged its title to the Kurils from Urup north for Japan's recognition of Russian title to Sakhalin. A new border was established and new territorial sovereignty appropriately defined. Both the sovereignty of the two countries over these territories and the demarcated

border between them were settled from the point of view of international law.

3. As a result of military success during the Russo-Japanese War of 1904-1905, Japan acquired southern Sakhalin. Japan's territorial acquisitions were documented appropriately in the Portsmouth Peace Treaty. Territorial sovereignty and international borders were again settled from the point of view of international law.

The morality of the issue—Japanese aggression—does not affect the interpretation of these rights in international law. But it does form the basis for future possible international legal or political resolutions.

4. By having signed and ratified the Convention on the Main Principles of Relations between USSR and Japan in 1925, the USSR reaffirmed that the Portsmouth Treaty was completely valid. This meant that the Soviet Union recognized the legality of the existing borders. Thus, *in August 1945, when the USSR entered the war with Japan, Japan had undisputed legal title to the entire island chain from Hokkaido to Kamchatka and southern Sakhalin.*
5. On December 3, 1943, representatives of the US, China, and Great Britain signed a communiqué, which was called the Cairo Declaration. It stated that Japan “will be thrown out of all the territories it has forcefully seized because of its greed.” The communiqué also states, “Their [the three signatories’] goal is to deprive Japan of all the islands in the Pacific Ocean that it has seized or occupied since *the beginning of the First World War in 1941* [emphasis added].” This was not an international-legal document affecting title over the territories. Rather, this was an agreement on the intentions that were to be realized in a postwar peace treaty with Japan. The communiqué was not obligatory for Japan, since Japan was not one of its signatories.
6. In February 1945 the secret Yalta agreement was signed. According to this agreement the USSR's rights to southern Sakhalin were to be “reestablished” and the Kurils were to be “transferred” to the Soviet Union. According to its legal nature and terminology, the Yalta Agreement was a statement of the powers’ intentions. It was not a treaty, but was an international agreement of considerable weight.<sup>10</sup> Since it was signed by the leaders of the US and Great Britain, it created an obligation to support and vote for the transfer of Sakhalin and the Kurils to the Soviet Union during the negotiation and signing of a peace treaty with Japan. But it was not obligatory for Japan, since Japan was not one of

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10. For further discussion of the Yalta Agreement, see Appendix H.



the signatories. The document also did not specify which islands constituted the “Kuril Islands” that were to be transferred to the Soviet Union after the Japanese capitulation.

7. On July 26, 1945, the US, Great Britain and China signed the Potsdam Declaration, which said that the “provisions of the Cairo Declaration will be fulfilled and Japanese sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and a number of minor islands which we will indicate.” The Soviet Union later acceded to both the Cairo Communiqué and Potsdam Declaration on August 8, 1945, when it declared war on Japan, and therefore *gained some say in the disposition of territory defined by these agreements and the terms of Japan’s surrender*. Japan later recognized the Potsdam Declaration, and it became obligatory for Japan. In long terms, however, the Potsdam Declaration was a statement of intentions and had to be incorporated in an international-legal document to regulate the territorial issue, i.e. in a peace treaty.
8. The San Francisco Peace Treaty was signed in September 1951. It was an international legal document which in principle consolidated all of the wartime declarations and agreements with regard to Japanese territory (Cairo, Potsdam, Yalta, and others). Japan renounced all right and title to “southern Sakhalin and the Kuril Islands.” Although there is evidence at the time that Japan’s conception of the “Kurils” did not include the four southernmost islands, that conception was not made expressly in either the Treaty or any of the supporting documents.

The Treaty also did not identify the party who would gain sovereignty over these territories. The signatories explained the absence of an article legally designating the new sovereign of these territories in the document by noting that Stalin refused to sign the treaty (despite the fact that the USSR had participated in this final stage of the conference). Thus, *the USSR was not subject to any article of the treaty or resolutions granting it the title to the territories*.

The USSR’s title to the territories was not documented in international law, and the resolution of this issue was for all intents and purposes postponed, leaving final adjudication of title to a later international agreement. By refusing to sign the San Francisco Peace Treaty, the Soviet Union, by its own voluntary decision, postponed resolution of this issue. The political motives behind the USSR’s actions do not affect the legal consequences of the Soviet refusal. Having refused to sign the San Francisco Treaty, the Soviet Union’s repeated invocations since 1951 of the Treaty’s provisions do not carry as much weight

as the subsequent interpretation of “Kuril Islands” put forward by Japan and the US, who were signatories to the Treaty.

9. In the 1956 Joint Declaration on the establishment of diplomatic relations with Japan and the termination of the state of war, the Soviet Union committed itself to transfer the Habomais and Shikotan to Japan after the signing of a peace treaty. The fact that this was an act of good will on the part of the Soviet Union does not affect the status of this legal commitment or Russia’s obligation in international law to return the two smaller islands. This cannot be changed or annulled by one of the sides: *the Declaration was ratified by the parliaments of the two countries and has the validity of law, which both sides are obliged to follow.*
10. The attempts of the Soviet government to raise doubts about its obligations under the Joint Declaration in the statements of January-May, 1960 do not change the facts. The Soviet Union’s only legal means to annul the 1956 Declaration would have been for both the Supreme Soviet and the Japanese Diet to denounce the Declaration, or for Japan and the Soviet Union to adopt a joint document specifying a change in the Declaration. Such a joint document would then have had to be ratified by the supreme legislative power in both nations for it to become international law. The fact that the Joint Declaration has not been shelved and permitted to evaporate since 1960, but has been the subject of subsequent active negotiation and concern, implies that it still has the full force of law today between the parties.

In assessing competing claims, it must be noted that none of the international legal treaties (1855, 1875, 1905, nor 1951) contains a conclusive geographical definition of the term “Kurils.” Moreover, there are many additional Russian and Japanese documents regarding regulation and administration of the islands that point in conflicting directions.

Therefore, on the basis of an international legal analysis, we can draw four conclusions that Japan, Russia, and the US must consider when seeking a resolution to the dispute:

First, Russia’s claim at present to sovereignty over southern Sakhalin and the Kurils remains *de facto* but does not exist *de jure*, i.e. on the basis of international law. It is a result of the occupation of these territories and Russia’s administration of them. This occupation was the result of an agreement with the allied nations in the war against Japan. But, Russia can gain clear title to these territories only on the basis of a multilateral international agreement, or a bilateral peace treaty with Japan with the consent of the signatories to the San Francisco Peace Treaty on

conditions that do not contradict that treaty.

Second, Russia's obligation to transfer the Habomais and Shikotan to Japan is still valid, since it is a documented act in international law, and is independent of, although conditioned upon, the text of an eventual peace treaty. Indeed, as the actual agreement to transfer the islands occurred in 1956 the peace treaty need not even mention the islands.<sup>11</sup>

Third, Japan's claims to Kunashir and Iturup are an issue for international legal analysis. A central question is whether these islands are part of the Kurils, which Japan gave up according to the San Francisco Peace Treaty, or not.

Fourth, during the Cold War, this territorial dispute reinforced Japan's readiness to confront Russia as part of the Western alliance, a position formalized in the 1960 Security Treaty between Japan and the US. Today, as democratically-elected Russian President Yeltsin seeks to celebrate the West's victory over Communism and Stalinism with the industrial democracies, this territorial dispute looms as an anachronistic barrier to his country's progress.<sup>12</sup>

## **An Analogy**

Territorial disputes are not new. For centuries they have caused wars, resulted from wars, and been resolved by wars. Most nations today have territorial problems with their neighbors. Although every dispute is unique, the problems presented by the Kuril Islands are broadly similar to territorial conflicts that have occurred elsewhere. Examination of several analogous disputes can help place the Japanese-Russian conflict in perspective and provide clues for successful resolution once the parties sit down at the negotiating table.

Our survey of analogous disputes<sup>13</sup> finds that such conflicts have often been resolved, but only when three elements have been present: (1) a minimum degree of good sense and good will; (2) the judgement by each party that resolution will advance its interests; and (3) willingness by both parties to compromise long-held positions to some extent. Each must bring something to the table. All three elements have been present in cases that were successfully resolved, and notably absent when no resolution was reached.

Our review finds no case precisely equivalent to that of the Kuril Islands. But many analogies were sufficiently similar in one dimension or another to provide a useful lesson in analyzing the

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11. See discussion above in Chapter II.

12. For additional background, see Appendices D, F, G, and H.

13. For a detailed discussion of these analogies, see Appendices H and I.

case at hand. Perhaps the most relevant case is that of Okinawa.<sup>14</sup> Like the four disputed islands, Okinawa was an integral part of Japan to which no other nation had ever held title. In the case of Okinawa, the evidence shows clearly that the US seriously considered retaining control. This may have contributed to US reticence about rejecting Stalin's claim to the southernmost islands of the Kuril chain until the 1950s.

In 1961, Washington reaffirmed Japan's "residual sovereignty" over Okinawa, accepting in principle its eventual return to Japan. This act reflected two realities: law and politics. If it meant to be a lawful participant in international affairs under the UN charter, the US had no legal basis for keeping Okinawa. The island had always belonged to Japan, never to the US, and the US obviously controlled it as result of wartime belonged to Japan, retained possession through the terms of the 1951 Peace Treaty—which had not stripped Japan of sovereignty. The US willingness to acknowledge these truths was also affected by calculation of its strategic interests in its relationship with Japan. Failure to act would likely have undermined the partnership that the 1951 US-Japan Security Treaty sought to establish.

The revision and renewal of that treaty in 1960 was part of a US strategy to make Japan a long-term ally in the Cold War against the USSR. The return of Okinawa to Japan meant some restraint on the US military's freedom of action there and was opposed by many in the military for that reason. But it preserved the US's larger security and political interests. Indeed, American bases and troops were permitted to remain on the island for an extended period. Moreover, the process of returning the island to full Japanese sovereignty enhanced the emerging partnership and quelled the anti-American movement that had gathered strength during the first six months of 1960 around the signing and ratification of the revised Security Treaty. The American-Japanese alliance became a fundamental pillar of Japan's foreign policy. Over time, the US also gained economic benefits as the Japanese government assumed part of the costs of American troops on the island.

The case of the four disputed islands differs from Okinawa primarily in the political features of the bilateral relationship, and in the fact that there are no longer any ethnic Japanese on the Kurils. In international law, many elements in the two cases are identical. Both Russia and the US occupied the territory in war; neither had any basis in law for claiming sovereignty to it; and the way each handled the issue reflected its commitment to law-governed behavior and shaped its political relationship with Japan.

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14. For a further discussion of Okinawa, see Appendix H.

Other cases, identified in Appendices H and I, offer important lessons, including the following:

1. Sovereignty is not indivisible. It can be transferred from one country to another with conditions limiting autonomy for a period of time. The limitations could establish special administrative rights, preserve an existing economic and social system, or guarantee separate political governance or local administration. See the case of Hong Kong.
2. Sovereignty can be transferred from one country to another, while the transfer of operational control is phased in over years, or even decades, as the case of the Panama Canal.
3. Prior to agreement about sovereignty, conflict between protagonists can be significantly reduced by demilitarizing and neutralizing a disputed territory, or by affording it a high degree of political and cultural autonomy, as in the case of the Aaland Islands.
4. Sovereignty can be divorced from effective control over a territory for an extended period, at the conclusion of which the original population of the territory is permitted to choose its national status, as in the case of the Saarland.
5. Sovereignty over a territory may be awarded by treaty to a given country, but other interested parties may have equal rights of access to natural resources, as in the case of Spitsbergen.
6. Territorial disputes can be assigned to the International Court of Justice for resolution, removing the decision from the control of the governments involved and appealing to the principles of international law.
7. Unresolved territorial conflict can lead to war, as in the case of the Falklands.



## CHAPTER IV

# Scenarios for Achieving Fully Normalized Relations Between the Trilateral Nations

A key analytic tool of modern policy analysis is the “scenario,” a literary term which refers to the outline of a play. In policy analysis, the term refers to the sketch of a hypothetical chain of events for moving from what exists now to some future outcome.

The outcome of special interest in this study is the *full normalization of relations* between Japan, Russia, and the US in the Asia-Pacific region. “Normalization” is a term from diplomacy that means what it says: regular, normal relations among nations who recognize each other, respect each other’s sovereignty and interests, and relate to each other in political, economic, security, and cultural terms. Currently, Japan and Russia do not have fully normalized relations (although in 1956 they restored diplomatic relations). Rather, as discussed above, they maintain essentially hostile and severely limited security, economic, and political relations.

Normal relations between nations yield significant benefits to each: reduced security anxieties and, therefore, reduced military-strategic expenditures; increased transparency; political cooperation; and economic relations in the forms of trade, investment, and aid that enrich both. Moreover, the absence of normal relations between two nations affects the interests of other nations in the region. In the case of great powers, such Japan and Russia, this absence affects the globe.

Japan and the US have been allies for several decades and partners in recent years. In the past year, they have moved further to become what they call “global partners,” emphasizing the mutuality of interests and cooperation in action around the globe. At the Summit between Presidents Bush and Yeltsin in February 1992, the US and Russia declared that the two principal adversaries in the Cold War would no longer be enemies, but rather “partners,” initiating the kind of relationship the US has built with Japan. At the conclusion of the June 1992 Summit, Presidents Bush and Yeltsin issued the “Washington Charter” on the American-Russian partnership, declaring that they would “unite in their efforts toward strengthening international peace and security.”

President Yeltsin has written to Prime Minister Miyazawa stating his view that Japan is Russia’s “potential partner.” But because Japanese-Russian relations have remained stuck in a Cold War stance, the benefits that would flow to Japan and Russia from normalization have been blocked. The absence of Japanese-Russian relations leaves new arrangements for economic

and security cooperation in Asia lagging far behind developments in Europe. Military forces in Russia's Far East have shrunk more slowly than those on the Western front, causing Japan and the US to maintain larger and more active forces than would otherwise be necessary. The two nations are also odd men out in summits of the G-7 + 1, such as last July's meeting in Munich. There, not only President Bush, but President Kohl of Germany and others, spoke of their "partnership" with Russia. They urged both Japan and Russia to resolve their disputes and assume their proper share of responsibility for international leadership.

Appendix A provides brief sketches of 66 scenarios for normalizing trilateral relations, each identified in terms of a defining feature. All of these sketches could be expanded to produce a fully developed scenario for resolution. These defining characteristics provide, in effect, a menu of features that could be assembled in various packages to produce an almost infinite number of combinations and permutations for approaching the issue.

Our aim is *not to prescribe one course of action*, but rather to make a more fundamental point. Despite obstacles, difficulties, and risk, one conclusion is clear. There exist a very large number of ways to achieve normalization—if the governments seriously determine to do so.

In the chapter, we sketch three basic scenarios, one from each of three related levels of analysis. Each level represents a different analytical approach to resolution of the dispute. At the first level, these scenarios seek to achieve normalization by resolving differences over the disputed islands *in their own terms*, that is, approaching the issue simply as a conflict over territory. Most discussion of the dispute has focused at this level.

From this level, we sketch what we call the "accelerated Yeltsin Plan." This begins with the formula,  $2 + \alpha$ , which takes, as the starting point for resolution, the 1956 Joint Declaration. It states: "The United Soviet Socialist Republics, desiring to meet the wishes of Japan and taking into consideration the interests of the Japanese State, agrees to transfer to Japan the Habomai Islands and the island of Shikoton [sic], the actual transfer of these islands to Japan to take place after the conclusion of a Peace Treaty between the Union of Soviet Socialist Republics and Japan." Thus the "2" in the formula refers to the islands of Shikotan and the Habomai Group that Russia agreed to transfer to Japan in that Declaration. The "alpha" refers to further agreements regarding terms and conditions on which the two islands are transferred and whatever is agreed with reference to the other two islands still in dispute.

In the "accelerated Yeltsin Plan" sketched below, President Yeltsin's original five-stage plan is accelerated to return two islands to Japan, and alpha equals the recognition of Japan's "residual sovereignty" over the two remaining islands. We also provide a variant of this plan that



combines the 2 + *alpha* formula with basic international law to overcome one major obstacle inside Russia today: the claim that a national referendum would be required for any resolution affecting the territories.

A second level of analysis identifies scenarios that resolve differences over the disputed islands *as a means to larger policy objectives*. In this category, either the Japanese government, the Russian government, or both decide that resolution is necessary in order to achieve some national objective. In the scenario that we have selected from the category, the Russian government undertakes to resolve the dispute for the objectives of (1) satisfying Russia's demands of "law and justice" as defined by President Yeltsin; (2) protecting Russian national security and territory by securing the commitment of Japan and nations to Russia's legitimate Far Eastern borders, including southern Sakhalin and the eighteen non-disputed islands of the Kuril chain; and (3) engaging Japan as an unstinting supporter of Russian economic and political reform. With this motivation, a *bilateral compromise* is fashioned.

The third scenario illustrates a third level of analysis in which the territorial dispute is resolved within a framework that *reaches beyond* the bilateral relationships to broader trilateral or multilateral objectives. In the scenario presented, the US takes a lead to submerge the territorial dispute in a *comprehensive trilateral agreement* about security, economics, and politics that yields net advantages for all parties to a new trilateral partnership in the northern Pacific.

Each scenario is constructed on a demanding timeline that achieves normalization in the short-run: over a twelve month period. Obviously, the sequences of steps to normalization could be extended over a longer period. On the longer timetable, some actions appear easier or more plausible. But others are less so: most importantly, the intentions and even the identity of the actors. One must keep in mind the pace of events today: in the past 12 months, the Soviet Union disappeared.

## **A. Resolution of the Dispute in its Own Terms: The Accelerated Yeltsin Five Stage Plan**

1. Yeltsin and Miyazawa each decide that resolution of the dispute to normalize relations is a *high priority* for each government. In preparing for a bilateral summit, each initiates a program of concerted actions to the end. For Russia, such actions could include some or all of the following: denouncing the errors and crimes of Stalinist expansionism that today

leave Russia without a recognized border with Japan and without internationally-recognized sovereignty over southern Sakhalin and the eighteen undisputed islands of the Kuril chain; announcing that the accelerated withdrawal of troops from the disputed territories will be completed by March 1993; and apologizing for the treatment of Japanese POW's in Siberia after World War II while offering relatives in Japan full and essentially free access to Japanese war cemeteries in Russia.<sup>15</sup>

For Japan, such actions might include: signaling a readiness to be flexible and to compromise (as Watanabe did in his May 1992 visit to Moscow); developing and publicizing a program of action for improving the life of islanders and people in the Far East region if the islands were returned; and providing evidence of willingness to support Russian reform, including developing a serious program of action for substantial aid and loans; etc.<sup>16</sup>

2. In his now characteristic manner, *Yeltsin* advances a *bold initiative* at the bilateral summit announcing that his five that his give stage plan will be accelerated to achieve resolution on the principle of 2 + *alpha*. Specifically, he asserts that Russia is lawfully compelled to fulfill the 1956 Joint Declaration, as signed by the Soviet government and ratified by the Supreme Soviet, obliging it to return to Japan control of the two small islands (Shikotan and the Habomais) after the signing of a peace treaty. In addition, he proposes Japanese-Russian negotiations to clarify the sovereignty and control of the two larger disputed islands (Iturup and Kunashir) on the basis of the principles of "law, justice, honesty, and respect for human rights."

He communicates clearly that he and his government acknowledge the historical fact that Iturup and Kunashir were agreed to be Japanese in the treaties of 1855 and 1875; that Japan's claim to sovereignty over the islands today has some merit; that he and his government are committed to confronting the facts honestly and mean to do what is just and lawful as rapidly as politically practical; and that any resolution of the issue will require satisfying Russia's concerns about the rights of the islanders and its interest in the area, including security, fishing, and natural resources.

3. Miyazawa receives Yeltsin's initiative warmly and is forthcoming. He expresses appreciation for the President's commitment to overcome Russia's Stalinist legacy and to build a society based on law and justice. He expresses confidence that Japan and Russia can

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15. Of the 60,000 Japanese POW's imprisoned in Siberia, 60,000 of these died in confinement.

16. For a full list of potential actions, see the charts in Appendix B.

resolve their remaining differences in negotiations. He indicates Japan's willingness to meet all Russia's substantive concerns, including guaranteeing the demilitarization of the islands, insuring rights to fishing and natural resources, and protecting the rights of the islanders. He announces that Japan will provide \$6 billion in aid and credits to support Russian reform. (In reality, the \$6 billion pledge consists of \$2.5 billion pledged in January, \$2.4 billion as Japan's share of the international agency's contributions, and only \$1 billion in new pledges.) Privately he informs Yeltsin that he will increase the pace at which these pledges are paid. In private conversations, he also begins serious discussion with Yeltsin about other ways in which Japan can help the Russian President's program of reform, by providing funds for denuclearization, for example, and for improving the safety of civilian nuclear power plants.

4. In the wake of the summit, Japanese and Russian negotiators, assisted by expert groups, find their way to Russia's recognition of Japan's "residual sovereignty" over the two larger islands in a manner analogous to the US 1961 affirmation of Japan's "residual sovereignty" over Okinawa. Negotiators satisfy themselves that agreement can be reached on all material concerns and begin taking specific actions, in the area of fishing rights, for example. They establish a process for beginning discussions about terms and conditions for possible return of control of the two larger islands to Japan but agree that this will not happen before the 21<sup>st</sup> century.
5. Japan agrees to a summer 1993 summit in which the two nations will sign a peace treaty, formally ending World War II; Russia will return the two smaller islands to Japan's physical control; Russia will acknowledge Japan's "residual sovereignty" over the two larger islands; and Japan and Russia will declare normal relations and begin acting accordingly.
6. In the months and years ahead, relations develop; negotiations about the terms and timing of the return of the two larger islands are shaped by the course of events.

## Problems:

- Yeltsin's recognition of Russia's lawful obligations under the 1956 Joint Declaration to return to Japan the two smaller islands will require boldness on his part; it will also provide a target for political opponents.
- If conceived narrowly in its own terms, this is largely a zero-sum game: Japan's gain is Russia's loss; Russia's compensation is minimal. The issue must, therefore, be transformed to focus not only on the perceived loss of territory, but also on the gains from a new bilateral relationship.
- Without concrete guarantees for resolution, some Japanese will fear that control of the two larger islands will remain hostage to developments in Russia, and the final decision on the issue could be delayed indefinitely. Diehard opponents of Yeltsin, and perhaps others, will claim that return of the two islands, even under the 1956 Joint Declaration, requires a national referendum, as called for in the new Draft Constitution and in the Russian Declaration of Sovereignty.

A *variation* of this scenario seeks to overcome the last obstacle by reinforcing the Yeltsin five-stage plan with principles of basic international law. The diplomatic steps are the same, but the terms in which the issues are conceived and presented are significantly different. Specifically, the transfer of the two larger islands is characterized not as a "cession" of territory, but rather a confirmation of Russia's understanding with Japan about the meaning attributed to the words "Kuril Islands" in Article 2© of the 1961 Peace Treaty. Yeltsin asserts that no "cession" is occurring because Russia cannot "cede" territory that does not belong to it, i.e. to which it does not possess full sovereignty under international law. Because Yeltsin's action involves no "cession" of Russian territory, claims about a required referendum do not apply.<sup>17</sup>

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17. For further discussion of the international-legal issues, see Appendices A and H.

## **B. Resolution of the Dispute as a Means to Larger Japanese and Russian Objectives and Policy: *The Bilateral Compromise***

Given current circumstances, Russia has many obvious reasons to resolve this issue. Appendix A offers an array of potential larger objectives or interests, including: (1) Russia's interest in making its commitment to "law and justice" a matter of fact as well as rhetoric; (2) Russia's security interest in international legal acceptance of its territorial claim to south Sakhalin and undisputed islands in the Kuril chain; (3) Russia's general settlement with Japan; (4) the necessity for Japan to be a major source of aid and investment for Russia's radical economic reform effort; (5) Russia's interest in out-flanking regional actors in Russia, including some domestic regional "princes" who have indicated an interest in an independent accommodation or agreement with Japan; (6) Russia's interest in establishing the principles of international law in order to strengthen its hand in other border disputes with republics of the former Soviet Union (such as with Ukraine over the territory of Crimea) and within Russia; and (7) Russia's interest in escaping the trap that has excluded it from the most economically dynamic area of the world, namely the Asia-Pacific region.

The appendix also lists a number of Japanese objectives and interests, beyond obtaining sovereignty over the disputed islands, that could be advanced by resolution of the dispute: (1) gaining the friendship of its huge neighbor to the north; (2) closing the book on World War II; (3) avoiding "singularization" by other G-7 partners for shrinking responsibility in assisting Russian reform; and (4) permitting Japan to realize its announced objective of playing a leadership role in Asia.

1. As in Scenario A, Yeltsin and Miyazawa each decide that resolution of this dispute and normalization of relations is a *high priority* for each government. Specifically, Russia decides that relations must be normalized for three larger reasons:
  - a. To escape the trap created by Stalinist expansionism by satisfying the demands of "law and justice."
  - b. To protect Russia's strategic and military security by closing its window of vulnerability to claims to southern Sakhalin and the eighteen non-disputed Kuril Islands. If Russian disorder should persist over the next decade, revanchist Japanese claims to this territory may arise, so now is the time to secure full and undisputed international legal title to these historic Russian lands. Simultaneously, resolution

would permit Russia to begin to enhance its security by reaching agreements on reductions in Japanese and American military forces in the region to match inevitable Russian reductions, and by building a larger trilateral security partnership that would permit Russia's participation in the political functions of the US-Japan Security Treaty.

- c. To promote Russia's economic interest in successful, radical economic reform, based on the "aid syllogism" that without substantial external economic assistance, reform will fail and with it the democratic Russian experiment; without Japan there will be no substantial external economic assistance; and without normalization there will be no substantial Japanese assistance.

Based on these judgements, Japan and Russia initiate a program of calculated actions along the line of Step 1 Scenario A.

2. During a Japanese-Russian bilateral summit, Yeltsin announces an even bolder move. Citing Russia's obligation under the 1956 Joint Declaration, he announces that the two smaller islands will be returned directly to Japanese control. Moreover, Russia recognizes Japan's residual sovereignty" over the two larger islands and will begin negotiations about the timing and modality of their return. As he explains the proposition, this initiative accelerates his five-stage program to incorporate the Watanabe initiative of May 1992, in which Japan would permit Russia to have temporary administration over Kunashir and Iturup after Japanese residual sovereignty was recognized.
3. Japan embraces and applauds Yeltsin's bold stroke. Japan proposes that Japan and Russia immediately establish several working groups: one on Russia's admission to the political functions of the US-Japan Security Treaty with related reductions in military forces in the area for all parties; one on the joint design of a substantial Economic Cooperation and Assistance Program in the magnitude of \$5 billion per year for each of the next ten years in grants and government-guaranteed credits for sales and investments; one on expanded political normalization; one on cultural relations; etc.
4. Over the next six months, each of these working groups, including a group negotiating the terms and conditions for return of control of the two larger islands, complete their work. At a summer summit, a peace treaty is signed the two smaller islands are returned, a date is set or a process established for return of control of the two larger islands; Russia is

admitted to the political functions of the Security Treaty; the agreed program of Economic Cooperation and Assistance is announced; relations are normalized.

## **Problems:**

- The absence of *trust* between the Japanese and Russian governments and their negotiators will make it especially difficult to marshal the necessary intensity of diplomacy, at the level of deftness required, for a comprehensive compromise. A series of orchestrated political confidence-building measures, including increased exchanges between the respective elites, will be required to overcome this.
- Within Russia, strong nationalist opposition to what will be alleged to be a sacrifice or sale of territory will have to be overcome by reference to international law as discussed in Chapter III.
- Questions about the compromise of US interests in the proposed expansion of the US-Japan Security Treaty and the search for a new regional security relationship will have to be resolved through close consultation with the United States.

## **C. Resolution of the Territorial Dispute in Terms that Reach Beyond the Bilateral Relationship by Submerging this Dispute in a *Comprehensive Trilateral Agreement* about Security, Economics, and Politics**

1. The US concludes that resolution of this dispute is a high priority for all parties. For Russia, it is essential to elicit the level of economic support required for success of the world to which it aspires. For the US, and the West, it is a necessary condition for assembling the level of support required to sustain democratic Russia and its program of radical economic reform and to build a post-Cold War order in Asia.
2. The US takes the lead in raising the sights of the Japanese and Russian governments about other nations' interest in their resolution of the narrow dispute through a series of bilateral and multilateral diplomatic issues. The American government proposes to each that the US become a catalyst, honest broker, and guarantor in the negotiating process; each of

the disputants encourages it to become active in these roles.

3. Japan and Russia conclude that resolution of the dispute is therefore a high priority, in part on their own for reasons enumerated above, and partially as a consequence of US engagement.
4. Japan and the US agree that if the issue can be satisfactorily and speedily resolved, Japan will become the lead donor in a comprehensive G-7 package of support for Russian economic and political reform consisting of not less than \$5 billion per year for each of the next ten years, to be announced as a “\$50 billion program.” Submersion of Japanese assistance within the larger G-7 program avoids the appearance of a “sale” or “purchase.”
5. In parallel to this, Japan and the US agree that, as a prelude to their mutual development of a new Asian security framework, the Japanese-Russian relationship must be normalized through Russia’s inclusion in the US-Japan Security Treaty as an emerging partner, and that forces of all nations in the area must be reduced.
6. Politically, Japan and the US begin discussing the idea of an “Asian Helsinki” for which normalization of Japanese-Russian relations is a necessary prerequisite, since Russia must be a major participant.
7. Russia and the US consequently agree that if Japan were prepared to be so forthcoming on all these fronts, and if the US were prepared to serve as honest broker and guarantor, the Yeltsin government would be prepared to move very boldly to resolve this issue.
8. During a Japanese-Russian bilateral summit, Yeltsin begins with the variation of Scenario A presented above. Yeltsin announces that Russia is lawfully compelled to return the two smaller islands to Japan under the terms of the 1956 Joint Declaration and that this action constitutes no “cession” of territory, but rather a confirmation of Russia’s original understanding. Thus, it requires no referendum.
9. Japan responds as above in Scenario A.
10. At some point during this process, the US initiative brings into place the terms of a comprehensive trilateral agreement.
11. At a summit meeting of the three leaders, this comprehensive agreement is announced



among the new trilateral partners in the northern Pacific. Major announcements about the redefinitions of the trilateral parties' security (including internationally-recognized borders, reductions in trilateral military forces, and an emerging security arrangement among these partners), economic initiatives (including the Japanese-led G-7 \$50 billion program of Economic Cooperation and Assistance), and new political relations make the signing of a peace treaty, return of the two smaller islands, and acknowledgement of "residual sovereignty" over the two larger islands seem almost secondary.

## **Problems:**

- The intensity and deftness of diplomacy required by the US and its partners would have to be commensurate with that exhibited by the US and Germany during the period of German reunification. Unfortunately, that was an exception rather than the rule.
- Yeltsin's boldness would provide a target for nationalist opposition and would have to be countered by skilled political maneuvering in the domestic arena to demonstrate the net Russian advantages to the agreement.
- Some hardliners in Japan and Russia would resent US interference, therefore the extent and limitations of the US role should be clearly established. The United States' involvement in the Kurils dispute over the course of the post-World War II era, and therefore the necessity of its role in the dispute's resolution, would also have to be clearly explained to the respective constituencies.

## **Conclusions**

Given the mutual diplomatic failures that led to the cancellation of President Yeltsin's proposed visit to Tokyo in September 1992, and the fact that the territorial issue has high salience in domestic power struggles and infighting in both Japan and Russia, the realization of any of these scenarios in the near future is unlikely.

By focusing on the issue to territory in zero-sum terms, Scenario A highlights losses in a manner that is not likely to be acceptable in Russian politics. Although Scenario B broadens the focus to the issue of bilateral relations and the national interests of the two parties, the depth of misunderstanding and mistrust between Japan and Russia, now compounded by Yeltsin's cancellation, adds to the difficulty of resolution on this basis.

The need for an intermediary to break the impasse and help both nations to see the larger interests in this issue apparent. Scenario C, and all the scenarios on this level, explore ways of submerging the intractable issue of the territorial dispute and abnormal bilateral relations in a multilateral initiative that calls on other parties to perform as well. If there is to be a resolution in the near future, a third party will have to play a major role in transforming the dispute into a positive-sum game in which the parties can find a mutually-acceptable compromise that serves the larger interests of all.

## **Other Longer-Term Scenarios**

Each of these scenarios can, of course, be stretched out over many months, or even years. In fact, extending the timetable would make some actions considerably easier or more practical—but not without the risks identified above to the intentions and identity of the actors.

Beyond these scenarios, there are a number of longer-term scenarios in Appendix A and longer-term actions identified in Appendix B which simply could not be accomplished in the next 12 months. These include: (1) a smart Japanese diplomatic campaign to win the “hearts and minds” of the present islanders so that in the future, when a referendum is conducted on the islands, the islanders vote for return of the islands to Japan; (2) the initiation of an extensive education campaign in Japan and Russia that fills in the blank spots in their respective histories about this dispute, as well as about the Russian relations with Japan, thus mitigating the generations of propaganda and distortion that currently bolster negative reactions to constructive initiatives; (3) the emergence of an authoritarian government in Russia that is less sensitive to domestic opposition in Parliament or in broader public opinion and thus better able to reach some limited or broader compromise; and (4) a Russian future in which the disintegration and devolution of central authority to an independent or semi-independent Far Eastern Economic Republic, or even a region like Sakhalin, permits that entity to reach a narrow or broader compromise with Japan.

## CHAPTER V

# Alternative Futures for the Trilateral Nations in the Asia-Pacific Region

Scenarios spotlight one sequence of events of special interests, but leave in the shadows interactions between those events and the larger drama of which they are a part. It is important, therefore, to widen our focus and examine the bigger picture of possible futures for Japan, Russia, and the US in the Asia-Pacific as they may be affected by their governments' success or failure in normalizing relations over the next twelve months. Here we will focus on two stark, alternative futures: in the first, relations between Japan and Russia are normalized and a new trilateral partnership emerges in the months ahead; in the second, the nations fail to achieve normalization of relations. While the authors of this report are optimistic by nature, we feel obliged to record our judgement that the second future is sadly more likely than the first.

### Emergence of a Trilateral Partnership

Speed resolution of the dispute leads to normalization of relations between Japan and Russia, substantial Japanese-led G-7 support for Russian economic and political reform, rapid conclusion of the Cold War in the Asia-Pacific, and the deliberate, steady construction of a trilateral partnership.

- The territorial dispute is resolved along the lines of one of the scenarios and relations normalized.
- Japan becomes the lead donor in a massive G-7 (or G-24) program of assistance (economic, technical, scientific, and managerial) for Russian reform—providing not a window but rather a decade-long *corridor of opportunity* for successful reform.
- Bolstered by real international support and the confidence of forthcoming support over a decade, after various twists and turns, the Russian economy reaches bottom, and begins improving. Ordinary Russians start to see real improvements in their standard of living. The answer to the fundamental political question—“Are you better off than you were before the current government came to power?”—turns positive. Support for the Yeltsin

government and its reform program consequently strengthens.

- The perception that the Yeltsin reform program is succeeding weakens the case of “disintegrators” in the Federation. People begin to see benefits to membership in the Russian Federation. Similarly, this perception strengthens the incentives for other states of the former Soviet Union to cooperate with Russia and emulate its program of reform.
- Spurred by the normalization of relations and official Japanese support for Russian economic reform, Japanese trade with and investment in Russia expands rapidly, especially in Siberia and the Far East, to the benefit of both Japan and Russia. (As an indication of economic benefits foregone, consider the contrast between Japanese trade with Korea on the one hand, and that with Russia on the other. Last year fell to only \$1 billion. Were normal relations to lead to a level of Japanese-Russian trade proportionate to the size of the Russian economy, the value of imports and exports could total more than \$50 billion annually.)
- In the military-strategic realm, the establishment of clear title and sovereignty recognized by international law, coupled with reciprocal reductions in military forces and the establishment of a “cooperation partnership” between Russia and the US-Japan Security Treaty, ignites discussion of new joint security and conflict prevention arrangements in the region, thus enhancing the security of all parties.
- In the political realm, the emergence of a trilateral partnership between democratic nations in the North Pacific opens the door to an era of invention of various new political arrangements for promoting cooperation in the area (akin to current developments in post-Cold War Europe).

## **Cautions:**

- Normalization of relations between Japan and Russia would end Russia’s exile from the most dynamic economic area of the world, the Pacific Basin, and expand Japan’s freedom for action in Asia. While these developments will be welcomed by many in Asia, they will also create concerns in some Asian quarters that will have to be addressed by Japan, Russia, and the US in the process of creating a new economic and political order. Overall, the three powers must emphasize four long-term goals: development of a partnership with China;

cooperation in resolving points of tension in the Koreas and Indo-China; cooperation in resolving points of mechanism for ensuring security and economic development in the Asia-Pacific; and the continuation of a US presence in the region.

- Despite massive international assistance, Russia's attempt to transform itself into a market economy, with a democratic government, may fail. If so, the future will be more like the one to which we now turn.

## Continued Stalemate in an Incomplete Triangle

Failure to resolve the dispute sufficient to normalize relations between Japan and Russia in the year ahead leaves each nation acting more or less as it does today. Over the next several years, Russian reform fails and the present government is replaced by an authoritarian regime based on xenophobic nationalism, or, alternatively, Russia collapses into civil wars and chaos. Japan, Russia, the US, and the world suffer the consequences.

- Japan and Russia fail to resolve difference sufficient to normalize relations—for one or several reasons: timidity, concern about domestic opposition, hesitancy in confronting obstacles at home and abroad, ineffective diplomacy, and distraction as a result of other pressing concerns. As a consequence, their relations remain stuck in their current confrontational mode.
- G-7 assistance for Russian reform continues to limp along, as now, with limited, grudging Japanese participation.
- Russia, the US, and other nations seek to deny the fundamental “aid syllogism.” To repeat: (1) substantial *international assistance* is a necessary condition for *success* of Russia's radical economic reform; (2) substantial *Japanese assistance* is a necessary condition for substantial *international assistance*; and (3) full *normalization* of relations is a necessary condition for *substantial Japanese assistance*. As a consequence, Russian economic reform fails, fatally discrediting Russia's democratic experiment.
- At this point, two roads seem the most likely: down the first, the successor government is authoritarian and based on xenophobic, Russian nationalism; down the second lies civil wars within Russia, wars between Russia and other successor states such as Ukraine, or chaos (like the period after the collapse of the Chinese empire).

In the first case, an authoritarian, nationalist government is hostile to Japan and the West, confrontational, and unlikely to view disputed territories as anything other than rightful fruits of wars.<sup>18</sup> (For an analogy, consider the behavior of the authoritarian governments that succeeded democratic experiments in the 1930s in Germany, Italy, and Eastern and Central Europe.) This will impose high costs in military expenditures and increased security threats to Japan, the US, and others—as well as Russia. Among G-7 governments, there will certainly emerge a great debate around one central question: “Who lost democratic Russia?” The American and German governments will find a ready scapegoat: Japan.

In the case in which the Russian Federation collapses into chaos, or civil wars, the negative consequences for all trilateral parties, and others, mount. No one can recall the Russian Civil War of 1918-22 without being chilled by its intensity and the level of senseless violence. Nor should Russians, or anyone else in the world, forget the horror of what followed. A decade later, Stalin’s purges resulted in the deaths of some 20 million Russians. In addition to human losses in Korea and Vietnam, the dollar cost of the Cold War for the US alone amounted to over \$5 trillion: 5000 billion dollars.

Even worse: civil wars or chaos would certainly lead to the loss of control of many of the 30,000 nuclear warheads now in the former Soviet Union and to their sale in international arms bazaars. So too, would control of strategic launchers (and individuals who can build strategic launchers) be lost, thereby allowing Iran, Iraq, Libya, North Korea, Indonesia, Taiwan, Singapore, rogue states, or even terrorists to acquire capabilities to threaten Japan, the US, and others with massive destruction before the end of the century. In the current euphoria about the end of the Cold War, such developments are difficult to conceive. But should they occur, the costs imposed upon the trilateral parties and the world will be even more difficult to calculate.

We have painted two alternative futures in bold strokes and stark colors. Obviously, these are but two extreme cases of an array of futures, each of which requires more brush strokes with more subtle shades. Moreover, there are additional possibilities. Normalization could occur, substantial financial aid could be forthcoming, and Russia’s heroic effort to transform itself could fail nonetheless. Clearly, the most significant determinants of success in this transformation are Russian resources, Russian determination, and Russian actions. Alternatively, one can imagine a future in which normalization occurs, but without a larger vision and in which subsequent

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18. For an alternative in which an authoritarian government could act more boldly to resolve the issue, see Appendix A.

Japanese aid is still minimal. Such was the failure of Soviet diplomacy in German reunification. The Gorbachev government misunderstood the deep historical forces driving developments, failed to anticipate the nearly-inevitable outcome, repeatedly reacted too timidly and too late, and was thus forced to settle for a small fraction of the financial assistance that could have been realized as a result of resolution.<sup>19</sup>

We present these dramatic alternative futures to emphasize our conviction that trilateral governments have come to a decisive fork in the road. In the months immediately ahead, the leaders of Japan, Russia, and the United States will make decisions about what may appear to some as a small and insignificant dispute. But the consequences of these decisions are likely to be large, indeed even profound.

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19. Prior to West Germany's "acquisition" of the GDR in 1990, West Germans were making under-the-table payments to buy freedom for East Germans at an average price of \$50,000 per immigrant. At the moment of reunification, there were some 16 million people in East Germany. At the going price, that totals \$800 billion. Land and other physical assets were severely damaged. But at auction they could have commanded a price in the hundreds of billions. As it happened, Gorbachev delayed negotiations about money to cover the cost, distribution and national losses from Soviet withdrawal from East Germany until after the outcome was no longer in doubt. Out of gratitude, and the need to relocate 370,000 Soviet troops stationed in Germany, the German government provided approximately only \$34 billion in economic assistance.





## CHAPTER VI

# Actions Governments Serious about Normalization and Constructing a Trilateral Relationship Should be Taking Now

This chapter summarizes actions the governments of Japan, Russia and the United States could be taking now to prepare the ground for resolution of the bilateral territorial dispute, and the construction of a productive trilateral relationship. Appendix B presents more extensive lists of such initiatives.

### Russia

1. Declaration that *Japan is a nation of the “first rank” for Russia*, on a level with the United States, China and the major European countries. As a democratic state seeking to overcome its totalitarian legacy, Russia intends to build bilateral relations with Japan on a new conceptual basis.

This should include the expression by the Russian government of appreciation for the humanitarian assistance already provided by Japan, especially to the Russian Far East, reflecting the agreed division of labor among donors, and for the Japanese pledge of \$2.5 billion of economic and technical assistance.

2. Announcement of the fact that *Stalin led the USSR into a trap* when he occupied the four disputed islands in 1945 and unwittingly locked the door to this trap when he failed to sign the San Francisco Peace Treaty in 1951. As a consequence, Russia now finds itself with no recognized boundary with Japan, no internationally-recognized sovereignty over the Kuril chain north of Urup and southern Sakhalin, and without any internationally-recognized claim to the four disputed islands.

The Russian government should publish the historical record and all pertinent documents and a call for the evidence to be closely examined by specialists, the government, and the parliament, before being publicly debated. It should initiate a process to confront the facts and consider the international legal and political implications of this anomaly.

Russia should promise that it intends to rectify errors forthwith, not simply for the sake of Japanese-Russian relations, but also for the sake of Russia's new status as a "law-governed state" and a member of the democratic community.

The Russian government should begin characterizing this abnormal state of affairs, which emerged in the course of World War II and has persisted since, not as a territorial problem, but rather as a problem of defining international borders.

3. Creation of special commissions:

These would be established first at the governmental level, within the framework of the Presidency, in order to study the question of relations with Japan and how improvements can be made in the bilateral relationship. They would be supplemented at the non-governmental level, by setting up a committee of Russian academics, political figures, industry leaders, representatives of interest groups, and private individuals to further discuss the direction that Russia should take in its relations with Japan.

4. Initiation of a *program of symbolic political statements and actions* aimed at providing evidence for Japanese that the new democratic Russia is serious about improving relations with Japan. A suggestive list of a dozen such symbolic actions is provided in Appendix B.

These should include: making a *sincere apology* for the treatment of Japanese POW's in Siberia after World War II and permitting relatives in Japan full and unimpeded access to Japanese war cemeteries in Russia; making an apology for the forced expulsion of Japanese inhabitants from the disputed islands; extending and increasing visa-free visits for Japanese citizens to the islands and the Russian Far East, with the aim of eventually establishing a reciprocal visa-free regimen for visits by citizens of the two countries; and denouncing Gromyko's 1960 memorandum that unilaterally rejected the agreed terms of the 1956 Joint Declaration.

5. Implementation of the *full withdrawal of troops* from the disputed territories on an *accelerated* timetable, and a proposal to increase bilateral military "confidence building measures," including increased transparency of information about military deployments in the Pacific region.

This message could be reinforced by announcing that Russia regards the US-Japan Security

Treaty as a stabilizing factor in Asia, and expressing interest in some kind of Russian participation in the political functions of the Treaty.

6. Initiation of a public opinion campaign to educate the Russian people not only about the territorial issue but also about Japanese culture, history, and technological achievements, in order to overcome residual anti-Japanese stereotypes.

## Japan

1. Affirmation of Japan's intention to construct a *new relationship* with Russia and support Russia's heroic effort to transform itself into a market-oriented democracy.
2. Signal of *greater flexibility* and a *willingness to compromise* in resolving the territorial dispute by promoting a more objective reevaluation of the historical record.

The Japanese government should publish *all* documents pertinent to the dispute, including those not favorable to Japan's official position, such as the still-classified, internal Foreign Ministry memoranda by then Foreign Minister Shigemitsu indicating willingness in 1955-56 to reach a compromise settlement with the USSR in which Japan received only the two smaller islands. A frank and detailed debate of the issues should be encouraged, rather than more repetition of "official positions."

3. Expression of *sincere regret* by the Japanese leader for Japanese aggression against Russia at various junctures in the history of their relations.
4. Encouragement of a public opinion campaign to educate the Japanese population about Russian culture, history, achievements, and the nature and difficulties of Russian reform in order to overcome lingering anti-Russian sentiments.
5. Initiation of a campaign to "*win the hearts and minds*" of those Russians living on the disputed islands by: extending unlimited, visa-free visits to Japan to all inhabitants of the four islands; organizing regular meetings between representatives from the islands and Japanese for a frank exchange of views; elaborating and discussing with the islanders the kinds of guarantees, protections, and benefits that they can expect if the islands are returned to Japan; and by increasing humanitarian and technical assistance to the islands as part of the G-7 package.

6. Implementation of a program of action directed towards the Russian government, parliament, leaders of industry, and the general population to *make tangible* the *benefits* that would flow from the full normalization of relations and a Japanese program of economic assistance.

This should involve the active discussion of a joint Japanese-Russian design of the *Comprehensive Economic and Cooperation and Assistance Program*<sup>20</sup> with specific plans for sustained, long-term Japanese support for the Russian economic reform process. (What the earlier “Ozawa Initiative” in 1991 lacked in diplomatic subtlety, it captured in strategic insight.) Influential Russians and other G-7 experts should be engaged in the discussion of concrete needs and a realistic, long-term assistance package (including direct aid, low interest rate credits, technical assistance, and direct and portfolio investments) of \$50 billion, to be dispersed over a ten-year period.

A commission should also be established to explore ways of fully integrating the Russian Far East into the Asia-Pacific economic region and markets. In addition, a “Japanese model” for development should be promoted and discussed, to be illustrated by a series of projects carefully targeted to develop infrastructure on the islands and in the Russian Far East and to attract multilateral investments to the region (not only in the energy sector).

Japan must demonstrate that, as the only major economy with big surpluses, it has both the will and the wallet to provide massive assistance. Actions speak louder than words. Japan’s assumption of a *leadership role* in supporting Russia in a related area, such as assistance for denuclearization, improvement of Russian nuclear power plant safety standards, and environmental clean-up projects, would make this credible.

7. Inauguration of a range of military “confidence building measures”<sup>21</sup> and expression of interest in a new strategic partnership with Russia in the northern Pacific to reduce mutual threats.

This should include the permanent demilitarization of the dispute islands and substantial reductions in forces elsewhere in the region, including Hokkaido.

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20. For detailed discussion of the Comprehensive Economic Cooperation and Assistance Program, see Chapter IV.

21. For further discussion of military confidence building measures, see Appendix B.

## **The United States**

1. Initiation of a serious discussion of this dispute with Japan and Russia to make both conscious of the larger global interests tied to the normalization of their relations and the creation of a new, mutually-beneficial trilateral partnership.
2. Proposal that in seeking to be a good partner to both Japan and Russia, the US is prepared to serve as a catalyst, honest broker, and guarantor and is prepared to appoint a special emissary to those ends.

The US government should explore ways to submerge this anomaly in a comprehensive agreement that produces net security, economic and political benefits for all parties, and communicates a coherent overview of the issue and the various routes to resolution that overcomes the obstacles for each.

3. Expression of a readiness to work in concert with Japan and Russia to support their bilateral security, political, and economic agreements.

The US should present itself as willing to be inventive and responsive in finding ways for Russia to become a “cooperation partner” in the US-Japan Security Treaty; to engage in trilateral reductions of military forces in the region; and to engage in trilateral “confidence building measures” through naval exchanges, perhaps with participation extended to other regional powers such as China and Korea.

4. Proposal that the US take the leadership role in discussions with other states in the region, especially China and Korea, in order to assure them that their interests will be respected.

The US should state that an emerging trilateral partnership will be a component of a new regional strategic, economic, and political order that will be open to all other parties. Regional discussions should be initiated to address concerns and create a basis for future multilateral cooperation in the region.

5. Recognition of the US’ role in the Russo-Japanese territorial dispute as an active, if sometimes unwitting participant, in the “collusion for confrontation.” The US role in bolstering enmity between Japan and Russia as part of its Cold War strategy should be acknowledged: Roosevelt’s initial oversight on the islands at Yalta, Truman’s inattention to this oversight

at Potsdam, Dulles' frustration of Japanese interest in a compromise settlement at the time of the 1956 Declaration, and the fact that the US clarified its deliberately ambiguities over the term "Kuril" only in 1956, after Japan had been enlisted as an ally in the struggle against Communism. The US allowed disagreement over the extent of the Kuril Islands to fester for more than a decade. Additional US documents pertinent to this dispute should be declassified and a frank trilateral public discussion encouraged in order to provide a full and more balanced understanding of the issue.

6. Indication that the US is willing to join in a trilateral summit as part of the process for underlining the global significance of these trilateral ties and moving towards normalization.

## PROGNOSIS

# Why Continued Stalemate Is More Likely Than Resolution

If we stand back from the analysis above and ask about the prospects for the scenarios we recommend, the authors of this Report feel obligated to state our judgement that is not because the real interests of the parties are irreconcilable. It is not because the principles each maintain are incompatible. It is not because the constraints upon each leave no common ground. Rather, it is because the balance of forces in the domestic politics, the governmental politics, and the bureaucratic politics of each favors continued stalemate rather than solution. In both countries, leadership is too weak, too timid, or too distracted to devise and pursue a strategy for circumventing and overcoming the very real domestic obstacles that stand in the way.

In Russia, these obstacles can be summarized under four headings. First, this dispute has become a salient symbol in the struggle between the Yeltsin government and its opponents. To sell or sacrifice Russian territory would be an act of treason. For Yeltsin to clear a path to resolution, he would have to demonstrate the political jujitsu for which he is famous. This might include putting opponents of resolution on the defensive by making Russia's vulnerability to claims against southern Sakhalin and the eighteen Kuril Islands more visible; and affirming that he will give up nothing unilaterally while negotiating a package that provides concrete benefits for enough supporters, including enterprise managers, to build a winning consensus. In the clamor of politics in Moscow today, no easy task.

Second, the Yeltsin government approaches this issue in the context of public opinion and psychology in which Russia feels diminished—as a consequence of the Soviet Union's disappearance. That public opinion polls show consistent opposition to return of islands to Japan is not surprising. Especially under current circumstances, public opinion is fluid and can be led by events. Nonetheless, against the backdrop of the apparent loss of much that Russians regarded as their own, and under circumstances in apparent loss of much that Russians regarded as their own, and under circumstances in which elements of the Russian Federation like Tatarstan and Chechnya are claiming independence, four small islands take on greater prominence than they would in other countries or at other times.

Third, with the pluralization of Russian politics, the Yeltsin government must take account of domestic political factors in a way that the Soviet government of 1956 did not have to. Then,

the government could strike a deal with Japan on the basis of the transfer of two islands and deliver. Now, the Yeltsin government faces an independent legislature that increasingly opposes his government, with a majority that opposes a resolution recognizing Japanese sovereignty or the return of the islands, and factional opponents who seek to take power from the Yeltsin government. Even those opponents who are not in principle against resolution along the lines suggested above nonetheless oppose allowing Yeltsin or the Gaidar government to receive the credit and the benefits from a successful resolution.

Fourth, the Russian government is highly disorganized, as befits governments in ongoing revolutions. It thus lacks orderly processes for considering its interests, making decisions after calm and rational consideration of alternatives, or for pursuing a coherent foreign policy. Russian foreign policy is now largely driven by domestic issues and debates. Within the government, the Foreign Ministry is weak.

Obstacles within Japan are equally formidable. First, this singular loss of territory in a country that still regards itself as a “small island nation” shapes the psychology of the issue. Over time, this has produced a defining mantra of all political parties and the Parliament, demanding that in the end, whatever the circumstances, Japan must recover sovereignty and control over all four islands. In the 1950s, a weaker Japan could consider compromise. Not today.

Second is the absence of urgency about when this issue is resolved. Because the matter is essentially symbolic, there are few advocates of an immediate resolution that would entail any compromise, while many support a stand on principle, whatever the consequences. As one familiar refrain states, having waited for more than four decades for these islands, Japan is prepared to wait four decades more.

Third is a pervasive fear of failure, both within the government and within the bureaucracy. There is no political cost for a stand on principle that demands four islands and gets nothing. But an initiative that suggests flexibility, or could possibly lead to a resolution on anything less than Japan’s full terms, creates vulnerability. Many Japanese recall the fate of earlier Japanese negotiators who compromised.

Fourth, for many in the Japanese bureaucracy, for example in the Ministry of Finance, and elsewhere, the absence of a resolution provides a convenient shield against demands upon Japan for major expenditures. These would include both investments in the islands, and a major role for Japan within the G-7 in supporting Russia’s reforms.

Fifth, in Japan there is very little perception of the risks to Japan if current events in Russia turn to dictatorship or civil wars. Japan has long deferred to the US, depending on it to provide



a security umbrella. It continues to imagine that the US will somehow do so against these risks.

Sixth, most Japanese experts on developments in the former Soviet Union regard events there as largely beyond the control or influence of outsiders like the US or Japan. Thus, substantial assistance to current programs is seen as either throwing good money after bad or providing funds that would make no significant difference in the likely outcomes.

Finally, the current Japanese government is weak, divided by factional struggles within the LDP and distracted by continuing revelations of scandals that suggest troubling relationships between some leaders of LDP factions and right-wing political groups. The Japanese Prime Minister thus feels himself to be a prisoner of past arguments and prior constraints.

Considerations within the US have also counseled caution rather than initiative. In the months before Yeltsin's scheduled September visit, the leadership of the US government in foreign affairs was diverted into the electoral struggle. Former Secretary of State James Baker was managing a campaign, and thus not available to engage the Japanese and Russian governments, even if he had been inclined to do so. If the US were to seek to be a catalyst and honest broker in resolving this issue, such a posture would entail risk.

In its current position, the US firmly supports its principal ally, Japan, and thereby sustains Japanese approval with comparative ease. In seeking to build a partnership with Russia, it urges Japan to be more forthcoming in assisting Russia. Japan responds with gestures, larger on promise than on delivery, and in the short term the Russian government is also grateful to the US on delivery, and in the short term the Russian government is also grateful to the US for its support. If, however, the US were to undertake a serious initiative to move both parties beyond their current posture, and to serve as the honest broker, this would require urging each to take actions that will be opposed by forces both in Japan and in Russia. Thus the current posture is the easiest and safest stance in the short run. Moreover, as a new government now comes to power in the US, one whose overriding agenda is the American domestic economy, sustained foreign policy initiatives in the near future, especially on an issue as complex as this one, seem unlikely.

All these considerations thus make caution and continuation of the current positions of the three governments the most likely outcome of the year or two ahead. Overcoming these obstacles in each of the countries, and doing so on a timetable that engages all three simultaneously, would require a combination of imagination and boldness—rare, but not unprecedented in international affairs. The leadership of President Truman and Secretary Marshall in creating the Marshall Plan, Sadat's courage in going to Jerusalem, President Yeltsin's courage in defeating the August coup—these are remembered and celebrated because they are exceptions, not the

rule. Nonetheless, if the governments involved will look to their own best long-term interests, they should accept the proposition we stated in the introduction: *“Having assessed the balance of interests and risks, we believe that the net cost of hesitation by the governments to move boldly to a resolution sufficient to normalize relations is much higher than the costs and risks of seeking bold resolutions **now**.”*

## APPENDIX A

# **Scenarios for Achieving Full Normalization of Bilateral Relations Between Japan and the Russian Federation, and Trilateral Relations with the United States**

### Framework for the Scenarios:

Described below are a series of sketches of scenarios for achieving *full normalization* of the relationship between Japan and the Russian Federation. This would require a resolution of their territorial dispute, and conclusion of a peace treaty. It would permit the creation of a new trilateral partnership with the United States in the Pacific region.

We envisage that many of these scenarios could be realized in the “short-term,” i.e., the next 12 months. This is a conceivable timeframe if Japan and Russia are both determined now to resolve their territorial dispute. One needs only recall how many seemingly impossible, or even inconceivable events have occurred in the past several years. Most short-term scenarios could also be stretched out over a longer timeline. Some scenarios, however, require a gradual change in the prevailing circumstances in the Russian Federation, or elsewhere, and would thus require a longer timeframe.

Each sketch is stated starkly in terms of the defining feature of the scenario. Each could be expanded to a lengthy series of steps. A fully-elaborated scenario would take into consideration obstacles to implementation, the action, Japan, Russia and the United States must take to overcome these obstacles, the timing and sequence of specific actions, and the particular advantages and disadvantages for the respective parties. We have indicated the most obvious problems at the end of each scenario.

For purposes of analysis the scenario sketches have been divided into the following three broad categories:

1. Resolutions of differences over the disputed islands *in their own terms*. These scenarios focus almost exclusively on the issue of territory.
2. Resolutions of differences over the disputed islands as *means* to larger Japanese or Russian policy and objectives. In this set of scenarios, either the Japanese or the Russian government,

or both, decide that resolution is necessary in order to achieve some larger national objective.

3. Scenarios in which the territorial dispute is resolved within the framework of a more comprehensive agreement that *reaches beyond* the bilateral relationship and its normalization to some larger trilateral or multilateral objectives.

## Scenario Sketches:

- I. Resolution of differences over the disputed islands *in their own terms* in a manner sufficient to allow a peace treaty, normalization, and consequently fundamental change in the trilateral relationship.

### A. *The “submersion” of the object of contention:*

1. Due to some natural disaster, such as a rise in sea levels, the islands simply disappear. For example, the island of Krakatoa in the Pacific Ocean was completely destroyed by a volcanic eruption in the 19<sup>th</sup> century. One of the small southern Japanese islands (Minami Tori Shima) is presently in danger of being submerged by rising ocean levels, and other larger island groups in the Pacific Ocean such as the Marshall Islands and the Maldives fear a similar fate as a result of atmospheric warming (See *New York Times* article, “Danger of Floods Worries Islanders,” May 13, 1992)

Although this scenario is half-frivolous, it is not inconceivable that over time the Kuril Islands could thus disappear from view, removing the physical objects of contention, if not the symbolic importance of the dispute as a matter of national prestige. We recognize the high saliency of the dispute in the domestic politics of both countries but for perspective, it should be kept in mind that “acts of God” may sometimes subvert the will of men.

2. A variation on this theme is the “Pinotubu Scenario” in which a natural disaster renders the four islands uninhabitable, or much less desirable, so that their value is diminished.

Inhabitants of the disputed islands have expressed concern that continued

ecological degradation of the islands, as a direct result of Soviet/Russian mismanagement of the terrestrial and marine resources may make the islands uninhabitable.

B. *The “zero island option”:*

Owing to the worsening political and economic situation in Russia and a political context ill-suited to making actual transfers of territory, no transfer (or recognition) of Japanese sovereignty or control of the four disputed islands may occur.

Should domestic conditions deteriorate precipitously in the next four months and Russian nationalism appear more virulent, Yeltsin may not be prepared to publicly acknowledge the 1956 Joint Declaration, and Russia’s consequent obligation to return the island of Shikotan and the Habomai Islets to Japan after the conclusion of a peace treaty. Nonetheless, some attempt will be made in the short-term to address the dispute and to respond to Japanese concerns regarding eventual resolution of the issue.

1. Yeltsin attempts to transform the relationship as a prelude to resolving the dispute, but is unwilling (or unable) in a visit to Japan to make any public agreement touching the issue of sovereignty or control over the disputed islands.

Yeltsin seeks to overcome Japanese suspicion and hostility sufficiently to establish a relationship with Miyazawa. He says that he wants to build a partnership analogous to the emerging relationship between Yeltsin and the US. Recognizing that Japan would expect the first step in this to be some recognition of its sovereignty over the disputed territories, Yeltsin nonetheless seeks to persuade Miyazawa that he cannot. He sincerely wants to resolve the territorial dispute with Japan and is prepared to do so in a way that eventually returns all four islands to Japan—but action now could undermine his government. He proposes, rather, to attempt to forge a consensus in Russia sufficient to allow him to move forward.

To make this approach more than rhetoric, both prior to an initial visit and during it, he orchestrates a series of statements and actions that give

substance to his asserted interest in a transformed relationship. These include: denouncing the errors and crimes of the Stalinist expansionism that created these difficulties and leave Russia today without a recognized border with Japan and without internationally-recognized sovereignty over southern Sakhalin and the eighteen undisputed islands of the Kuril chains; publishing all pertinent historical documents and encouraging Russians a nation of the first rank, on the level with the US, China, and its major European partners; apologizing for the treatment of Japanese POW's in Siberia after World War II and offering relatives in Japan full and essentially free access to Japanese war cemeteries in Russia; announcing that the withdrawal of troops from the disputed territories will be completed by March 1993; praising the US-Japan Security Treaty as a force for stability and expressing Russia's interest in joining the political functions of this treaty as a first step towards a larger security partnership; making the seas around the disputed territory a "special economic zone" in which Japan and Russia should discuss their mutual rights, and (as evidence of seriousness) rescinding Russia's unilateral extension of fishing rights in this area to South Korea; inviting Miyazawa to visit Moscow later in the year to take further steps; etc.

**Problems:** It will be difficult to persuade Japan of Russia's sincerity without concrete actions being taken with respect to the sovereignty and control of the disputed territories.

2. As a variation of scenarios A(1): given the high saliency of the dispute in the domestic politics of both countries and the increasing attempts by opposition groups to manipulate the decisionmaking process and thus discredit both governments, both Yeltsin and Miyazawa might both agree to conduct future negotiations "behind the scenes." The issue could be removed from center stage and representatives could be appointed to implement "quiet diplomacy" with the aim of finding a mutually-acceptable compromise. In the meantime, both sides would initiate a series of symbolic and public political actions outlined in Appendix B.
3. Yeltsin seeks to disarm Japan's suspicion and hostility by offering a *full*

*and persuasive unilateral apology* for Stalin's offenses to Japan. In essence, Yeltsin would present the "Asian face" of his June presentation before a Joint Session of the US Congress denouncing Communism and its consequences.

In this scenario, Yeltsin understands Japan's sense of having been violated as a result of the loss of part of its small island mass, and the important of this in shaping Japan's national consciousness and its approach to Russia—and effectively speaks to it.

**Problems:** Such a profound apology could have a significant impact on Japan's posture towards Russia, but unless accompanied by some initiative to address the territorial dispute, it may not succeed in achieving normalization.

4. Yeltsin accelerates his "Five-Stage Plan": in his visit to Japan, he announces the full implementation of Stage 2 of his plan (the creation of a free economic zone on the disputed islands) which he expands to a "porta franca." He announces that Stage 3, full demilitarization of the disputed islands, will be completed in the next twelve months. He invites the Japanese Prime Minister to come to Moscow in an exchange visit in 1993 and to sign a peace treaty in accordance with Stage 4 of the plan. Yeltsin goes on to express the hope that the final decision on the fate of the islands (Stage 5) will be made after 1994.

**Problem:** Given the fact that Japan has rejected this proposal previously, it is not likely to accept even an accelerated version as a basis for immediate normalization.

5. The "Senkaku (Diaoyudai) Islands" Solution: the two sides agree to disagree on the issue of ownership and sovereignty over the four islands. All Russian troops are withdrawn from the islands and the Japanese are give free access. The dispute is temporarily shelved and the Japanese are free to participate more actively in the G-7 aid package to the Russian Federation.

Japan and Russia resolve to concentrate on other aspects of their

relationship. They cooperate in promoting the development of democracy in Russia, consolidating military-strategic and socio-economic ties, and exploring new political alignments. The framework for the bilateral relationship is thus strengthened, in the view that as Russia progresses and close ties evolve between the two countries, the dispute will become increasingly anachronistic and an obstacle to further rapprochement which will have to be removed eventually.

**Problems:** Japan has repeatedly this proposal and is not likely to change its view.

6. Russia retains sovereignty over the four islands but attempts to persuade Japan to agree to jointly develop them after the complete withdrawal of Russian troops. This is a variation on the preceding scenario, except that the dispute remains an active factor in the bilateral relationship rather than being shelved.
7. The four islands are “leased” to Japan for a specified period of time with the option on the renegotiation of the lease (and perhaps the possible eventual negotiation of outright title to the territory). Japan would get control and use of the islands, but not sovereign title.

**Problem:** Japan is more interested in sovereignty over the islands than in use of them. Without title, the investments required to make the islands of any value are not likely to occur.

8. Joint Russian-UN administration, or joint Japanese-Russian-UN-administration, is established under special agreement for a five- to ten-year transitional period during which Japan and Russia will discuss seriously the mutual interests of each in a successful resolution.

**Problem:** This does not satisfy Japanese concerns in the short term and prolongs and complicates the process.

9. The four disputed islands are transferred to the “Joint Possession” of Japan and Russia under Russian sovereignty.



**Problem:** This would not likely be acceptable to Japan.

10. Russia declares an “international servitude” over the islands in favor of Japan. This may be in perpetuity, or may be for a stated period, and may or may not be subject to later conditions or to subsequent alteration of status after negotiation and mutual agreement. The servitude may be for one or more reasons: demilitarization; free access; fisheries rights etc.

**Problem:** This may not be acceptable to Japan, as it does not address the question of sovereignty or title to the islands.

11. Russia declares an alternating rule relationship, Japan and Russia alternately serving as the administering power for five years.

**Problem:** This is a very complex relationship to establish and would not satisfy Japan.

12. Russia declares that it will place the islands under the United Nations Trusteeship system with herself as Trustee. The Trust may be for a certain duration and may conclude with independence or with transfer to Japan (subject of course to a vote of the Trusteeship Council). The islands could be designated as an International Park under this arrangement, which would avoid the issue of resolving the issue of sovereignty in favor of either party.

**Problem:** Japan would review this as a means of ignoring its interests.

13. Same as 11, except that Japan is named as Trustee (administering authority).

**Problem:** Japan gets administrative control of the islands but still does not get sovereignty.

14. Russia declares the islands independent and calls for a ratifying plebiscite on the islands. The state of “Kurilia” is formed. A subsequent plebiscite could address the question of the future status of the Republic of Kurilia: independence; protectorate of Russia; protectorate of Japan; protectorate of both etc.

**Problem:** Japan is likely to see this as a subterfuge for escaping Japan's legitimate claims.

15. The islands are taken out of the jurisdiction of the Sakhalin Oblast and placed under direct Presidential rule for the next decade—in recognition of their political sensitivity and ecological sensitivity of the region. Government emissaries are appointed to oversee the administration of the region and the Japanese are invited to participate in an advisory council for the islands' subsequent development. This would give Yeltsin greater control over the objects of contention and the progress of direct bilateral negotiations, by undercutting the influence of regional leaders.

**Problems:** This might convince Japan that Russia is seriously considering resolution, although the issue of sovereignty has not been addressed.

16. The "Ainu Solution": mindful of the upcoming United Nations Year of Indigenous Peoples, the Canadian government's recent decision to create an ethnic homeland in its "northwest territories" for a small people, and the fact that the Ainu have demanded a say in the fate of the islands, the Russian government designates the islands the independent, sovereign state of the original indigenous inhabitants, the Ainu. The remaining Ainu in Japan are encouraged to return to the islands from northern Hokkaido.

**Problem:** Japan is likely to see this as subterfuge, but given the fact that the Ainu today are Japanese citizens, this scenario could actually be viewed by Japan as a way of submerging the dispute about sovereignty and control. Japan could anticipate that any Ainu state would quickly seek to become part of Japan.

### C. *2 Plus Alpha:*

Given the history of this issue, most short-term resolutions must begin with a reiteration of the 1956 Joint Declaration returning Shikotan and the Habomais to Japan upon the conclusion of a peace treaty. They are thus some version of *2 plus alpha*: where "2" refers to the islands of Shikotan and the Habomais, and "alpha" refers to further conditions affecting negotiations, including the eventual transfer

of sovereignty and control over the remaining two islands of Iturup and Kunashir and appropriate compensation for Russia. The challenge is to construct an “alpha” sufficient to meet Japanese concerns and Russian conditions.

1. Alpha equals transfer of “residual sovereignty” over Iturup and Kunashir to Japan. This is a version of the “Okinawa Scenario,” in which the United States confirmed Japan’s “residual sovereignty” over Okinawa in 1961. Over the next decade the terms of the return of Okinawa, with appropriate guarantees for American basing rights, etc., was negotiated.

One problem with this scenario is the fact that Russia does not in international law have any “sovereignty” over the islands to transfer to Japan, given the absence of any international treaty the fact that its occupation and subsequent possession of the disputed islands has been consistently protested by the Japanese. Under such circumstances, and the current practice of International Law, such “possessory occupation” as Russia’s is not seen to have matured into full title and sovereignty. Here again, the Okinawa analogy may be helpful. There, Japan retained sovereignty over the territory in the 1951 San Francisco Peace Treaty, though Japan relinquished the administrative rights to the United States. In affirming Japan’s “residual sovereignty” over Okinawa in 1961, the US was in fact acknowledging the fact that Japan had never lost sovereignty. When administrative control over the island eventually reverted to Japan in 1972, there was thus no transfer of sovereignty involved.

In the case of Iturup and Kunashir, Russia would therefore not transfer sovereignty, since it does not have it, but rather recognize and affirm Japan’s sovereignty, as Japan has long claimed.

**Problem:** This may well be sufficient to move Japan to normalization. But the initiative may be too bold for the Yeltsin government in current circumstances.

**Problem:** Japan would obviously, however, not permit such an abnormal state of affairs to persist indefinitely.

2. Alpha equals an explicit repeal of Gromyko's 1960 memorandum rejecting this as a Stalinist act inconsistent with international law and Russian interests; *together with* a collateral statement that stops rejecting Japan's claim to the further two islands; and a program of actions that give Japan hope regarding the final resolution, for example; (a) demilitarization of the remaining two islands; (b) arrangements that allow Japanese to travel to the islands without visas, to invest there, to own property etc.; (c) an apology for the treatment of Japanese POW's in Siberia for which the former Soviet Union, and Russia as its successor state, bears clear responsibility.

**Problem:** May be too subtle to satisfy Japan.

3. Alpha equals the reaffirmation of Yeltsin's principle of "law and justice" for the resolution of the dispute. Yeltsin announces first that, in terms of its relations with Japan and as a law-governed state, Russia is indeed prepared to proceed on the basis of the Joint Declaration of 1956 (which was ratified by the Supreme Soviet and the Japanese Diet and therefore has the force of an international treaty) and will transfer Shikotan and the Habomais to Japan at the signing of a peace treaty. Russia then expresses its intention to *negotiate* the timing and terms of the transfer, and all other issues, including Japan's position on the two other islands (Iturup and Kunashir), in order to consensus on the ultimate goal before the peace treaty is signed. Japan agrees to sign a Declaration on Principles for Mutual Relations, and increase economic aid to Russia. The issue is not immediately resolved but the preconditions for its future resolution are created, and a timeframe for the final resolution is established.

**Problem:** Not likely to be enough for Japan given the stress on immediate recognition of its residual sovereignty.

4. Alpha equals an agreement on *joint sovereignty* for an indefinite period of time, if not in perpetuity.

**Problem:** This will satisfy neither. Japan is, moreover, not likely to recognize the kind of Russian sovereignty over the disputed islands that this

scenario implies.

5. As a variation on 4, Russia could recognize Japan's "residual sovereignty" while also reasserting sovereignty itself over the two larger islands. Although conceptually contradictory, such a step might, nonetheless, permit some practical move forward in relations in the short-term, given the strength of Russian domestic opposition.

**Problem:** Japan would not permit such an abnormal state of affairs to persist indefinitely.

6. Alpha equals an agreement to establish joint sovereignty for five to ten years, after which this arrangement will be expanded or sovereignty will be given to one of the parties.

**Problem:** Perhaps unacceptable for Japan, for the same reason as #4.

7. Alpha equals an agreement to jointly develop Iturup and Kunashir as a special economic zone after the withdrawal of Russia troops.

**Problem:** Unacceptable to Japan, as it does not address the issue of sovereignty.

8. Alpha equals an agreement to leave the difficult decision on the remaining two islands to the "next generation," as in the fifth and final stage of the January 1990 "Yeltsin Plan."

**Problem:** Unacceptable to Japan, as there is no concrete guarantee that the issue will be ultimately resolved.

9. Alpha equals "zero": an agreement to disagree on the status of the remaining two islands. Russia simply complies with the stipulation of 1956 and asserts that Kunashir and Iturup are "Kuril Islands," to which Japan renounced all rights and claims in the San Francisco Peace Treaty.

**Problem:** Japan will accept 1956 but will not fully normalize relations on this basis.

10. Alpha equals the transfer of the remaining two islands to a UN trusteeship. (See scenarios 11 and 12 in section B above, with the same problem.)
11. Alpha equals submission of the dispute over the remaining two islands to the International Court of Justice in the Hague. There, Japan would have to prove that the remaining islands are not “Kuril Islands,” and Russia would have to prove that it has validly obtained possession and sovereignty over the islands by occupation and acquiescence. Both parties would lose control over the final outcome of the dispute.

The two sides could submit the dispute to the Court in a variety of ways: under the “optional clause declaration” (general declaration accepting jurisdiction under Article 36(2) of the Court’s Statute); under the “com-promissory clause” jurisdiction (under a treaty clause similar to Article 22 of the 1951 San Francisco Peace Treaty); by “special agreement” [*compromis*] (specific agreement addressing a question to the Court under Article 36(1) of the Statute) which restricts the scope of the litigation; by reference to a Chamber of the Court which gives the appearance of referring to an arbitral forum.

**Problem:** Japan could not be completely confident of the outcome given the uncertainties that surround Japan’s and Russia’s competing claims. Japan is, however, unlikely to be able to refuse such a Russian request. Russia could also be insecure about the outcome. But in comparison with scenarios in which Yeltsin unilaterally concedes even more, this may be attractive, if only as a source of leverage with Japan. This was also the approach to resolution of the dispute envisaged in the San Francisco Peace Treaty.

12. Alpha equals the adjudication of the dispute by another third party, for example the US, or some multilateral group such as: a non-International Court of Justice Tribunal, structured by the will of the parties and utilizing sitting or former Judges of the ICJ as arbitrators; a non-International Court of Justice Conciliation Commission, which can be completely confidential as well as being structured by the will of the parties; or a

non-International Court of Justice “Committee of Wise Men,” which can arrive at an objective and confidential evaluation of the legal position, without submitting the dispute to the public domain through the judicial process of the Court.

**Problem:** All of these methods may be deemed unsuitable by one of the sides and neither would be obligated to adhere to the independent judgement. Disagreement between the sides over an outcome could in fact complicate eventual resolution even further.

13. Additional “alphas” for resolution of the status of the remaining two islands of Kunashir and Iturup can be selected from those enumerated under section B for resolving the status of all four islands. They could also be *combined* with Japanese concessions on material concerns explored below in section E.

D. *Three plus alpha:*

Here, the status of only one island remains to be resolved and the “alphas” are selected from sections B and C to address the questions pertaining to the remaining islands.

On the theory that a true compromise by both parties should involve the division of the two islands not included in the 1956 declaration roughly in half, Japan would get Kunashir. If the division were based on strictly quantitative terms Japan could also get a third of Iturup.

Iturup, which faces the Sea of Okhotsk, is the most strategically and economically (in terms of its 200-mile economic zone) important of the islands, as far as the Russians are concerned.

**Problem:** Not likely to be acceptable to Japan, as it is interested in all four islands as a unit.

E. *Four:*

Russia recognizes Japanese sovereignty over all four islands immediately and the

islands are treated as a single unit.

1. Yeltsin states that he is rectifying the erroneous historical record, eliminating one of the final anomalies of World War II and the Cold War and is confirming Russia's understanding of the legal position in 1951. He is transferring the occupational possession of the disputed territories to Japan. This is not a "cession" of territory such as to require a referendum (see scenario 1, section C: the case of Okinawa), as Russia does not have the sovereignty to transfer. The disputed islands are presently in international legal terms "*Terra Nullius*," or territory with no sovereign. Russia's position in the four islands is in fact analogous to its position as an occupying power in East Berlin after World War II.

**Problem:** This is in full accord with Japanese claims but would almost certainly be too difficult for Russia.

2. Alpha equals an explicit acknowledgement of Japanese sovereignty over the remaining two islands an agreement to return Iturup and Kunashir within a given period of time, after the transfer of Shikotan and the Habomais has been successfully completed and pending the negotiation of specific guarantees and concessions for the islanders and the Russian Federation.

In response to demands from Russian nationalists that the transfer of the islands be submitted to ratification by referendum, in accordance with the stipulates of the draft Russian Constitution and the 1990 Russian Federation Declaration of State Sovereignty, Yeltsin states that no referendum is necessary as the islands are not "sovereign Russian territory." Their inclusion into the former Soviet State was not recognized by the international community and the USSR was not a signatory to the San Francisco Peace Treaty, and the territorial status of the islands has in fact not been fixed since August 1945 etc.

**Problem:** The opposition within Russia would see this as tantamount to the immediate surrender of all four islands as a unit.

3. The transfer of the sovereignty of all four islands to Japan, but with the



immediate lease, or Russian possession and administration, of four (or alternatively two) to Russia for a specified period of time in deference to Russia's material interests.

4. As a variation of 3, a third party, for example the United States, might offer the lease of an equivalent territory to Japan for the same period, on the same terms.

In all of the above scenarios, as part of the signing of a peace treaty and normalization of relations, Japan provides guarantees of Russia's material concerns. These including the following:

- Affirmation by Japan of Russia's title and sovereignty to the eighteen islands of the Kuril Group stretching from Urup to Shumshu, and the southern part of Sakhalin, to which the title has been left unresolved by virtue of Stalin's non-acceptance of the 1951 San Francisco Peace Treaty. Stalin's decision not to sign the peace treaty left the Soviet Union in no position to acquire perfected title or sovereignty to these territories, even though Japan relinquished her right to title.
- Japan thus marks an end to Russia's occupier's role in the territories not claimed by Japan, by stressing that it acknowledges the fact of Russia's "prescriptive occupation" since 1945 and therefore Russia's sovereignty. According to its understanding of the 1951 Peace Treaty, Japan announces to the international community, particularly the United States and Great Britain which were parties to the Yalta Agreement, to confirm Russia's sovereignty in a special international agreement, and to ensure that no third party will invoke Article 26 of the San Francisco Treaty to dispute Russia's title to this or other territories covered by that treaty.
- Demilitarization, with attention paid to Russian security interests and compensation for the loss of Russian bases, including assistance for the relocation of Russian troops (similar to the assistance rendered by Germany, for example).
- Russian accession as a "cooperation partner" to the political functions of

the US-Japan Security Treaty.

- Internationalization of the Yekaterina and Friz Straits, including the guarantee of free passage of warships, etc. by special treaty. The arrangements for internationalization could be the same as those for the Bosphorus Straits, for example.
- Guarantees of Russian rights to fish in the waters of the islands' 200-mile economic zone in perpetuity.
- Guarantees of Russian rights to natural resources in all waters in which they now have claims of natural resources within the 200-mile economic zone.
- The establishment of a special North-West Pacific Resources Commission, drawing upon existing bilateral and multi-lateral fisheries treaties and negotiations for individual species, to develop a comprehensive development plan for marine resources in the region.
- Guarantees of protection of the local environment and natural resources (marine and other natural resources)
- Guarantee of rights of inhabitants on the islands to permanent residence, with continued Russian citizenship, or application for Japanese citizenship; the ownership of property; benefits that are given to Japanese on the islands; etc.
- Guarantee of visa-free visits, subject to appropriate procedures, for mainland Russian citizens to the islands.
- Extension of privileges for Russian islanders for creating joint-ventures and for other investments on the islands, within the framework of established laws and regulations
- Guarantees of property and business rights for Russian citizens on the islands.
- Exemption from tariff duties.
- Freedom for residents from taxation for a given number of years.

- Compensation for those who decide to leave the islands.

Additional scenarios could be created by varying Japanese assurances on any one, or several, of the material conditions.

II. Resolution of differences over disputed territories as a *means* to larger Japanese or Russian policies and interests.

*Judgements by Yeltsin/Russia:*

- A. Judgement by the Russian government (Yeltsin and key associates) that the islands were seized as an act of Stalinist expansionism, which must be reversed; judgement that resolution is necessary for Russia's own international and political aspirations, that is, to have a new foreign policy consistent with Yeltsin's stated principles of transparency, honesty, justice, and law.
- B. Judgement by the Russian government (Yeltsin and key associates) that resolution is necessary to *assure Russia's territorial claim* to the chain of Kuril Islands, from Urup to Shumshu, and southern Sakhalin. In an area of turbulence, possibly long-term turbulence, the absence of agreed borders with Japan constitutes a vulnerable wound left over from the Cold War. It raises the risk that over time, this may lead to revanchist Japanese claims to all of the Kuril chain, and perhaps the southern part of Sakhalin. Thus a decision to pursue a resolution of the dispute that enshrines in international agreement Japan's renunciation of all claims to the Kuril Islands (beyond the four disputed islands), and to Sakhalin, and thus to settle the border permanently.
- C. Judgement by the Russian government that resolution is necessary to *protect Russian security* in the Far East. With the shrinking Russian defense budget, the Russian navy is being especially hard hit. Emerging Russian military plans suggest a greatly reduced naval presence in Northeast Asia at a time when Japanese and Chinese defense expenditures are expanding. An agreement to resolve the dispute and to normalize relations with Japan that involved assurances for Russian security interests and a reduction in American and Japanese naval presence, or even joint Japanese-Russian and Russian-US exchanges and cooperation would help to allay these concerns.

- D. Judgement by the Russian government (Yeltsin and key associates) that normalization of relations with Japan sufficient to cause Japan to become a *major supporter* of Russian economic reform is a necessary condition for *success* per the “aid syllogism” (as stated in the report).
- E. Judgement by the Russian government (Yeltsin and key associates) that normalization of relations sufficient to allow substantial Japanese *investment* in Russia is a necessary condition for the success of Russian economic reform.
- F. Judgement by Yeltsin that the resolution of the dispute is necessary for either D and/or E and in order to *rein in the Sakhalin Oblast* leaders and other regional “princes” who seek an independent accommodation and agreement with Japan. If Moscow and Tokyo sign a peace treaty and Japan offers substantial financial assistance to the Russian Federation, Yeltsin will be able to circumvent regional politics and assert his influence in the Far East and elsewhere as the principal recipient, and determinant of the Japanese aid.

This scenario must, of course, take into consideration differences between Sakhalin and other parts of the Russian Far East. Regional leaders in Khabarovsk and Vladivostok have their own independent voices and aims different from those of the Sakhalin Administration. There are also political divisions on Sakhalin and between Sakhalin and the disputed islands, although *all* parties are suspicious of the motives of Moscow in determining the fate of the islands.

- G. Judgement by the Yeltsin that the resolution of the dispute, the reassertion of “international law,” Russia’s emergence as a law-governed state, the removal of one of the last vestiges and anomalies of the former “Stalinist” Soviet state, and the “de-ideologization” of Russian foreign policy, may actually *strengthen his hand* in other potential border disputes (rather than triggering more crises in nationalities questions outside and within Russia as has been feared). In particular, resolution may favorably impact the dispute with Ukraine over the Crimea. Yeltsin might conclude that Russian willingness to abide by the principles of law, international and domestic, will persuade Japan and Western governments to support Russia in seeking more kind of compromise in recognition of “strategic and historical Russian interests” from Ukraine and others.

Yeltsin would secure an international consensus on the validity of the Helsinki agreements to prevent further potential questioning and protest of the postwar settlement in the West and the present configuration of Russia's borders, from Finland, Estonia, Byelorussia and others.

- H. Judgement by Russia that it is essential to the success of Russian economic reform that the country gain *access* to the dynamic *Asia-Pacific region*, as well as to Western Europe, and win equal rights in regional political and economic organizations. Russia can only reinforce its position in the Asia-Pacific region by normalizing the bilateral relationship with Japan, and consolidating its ties with other regional powers such as the United States, China and the two Koreas.
- I. Judgement by Russia that the current approach to radical economic and political reform is not working and that Yeltsin (or a successor) must become the authoritarian nationalist who can use drastic measures to breakout of the impasse and overcome the democratic constraints that make decisive and bold action virtually impossible.

A measure of central control is recreated and reasserted over the economy and Yeltsin, or his successor, resolves to move away from "shock therapy" to seek a more gradual alternative reform program that will nevertheless have to rely heavily upon Western support. To this end he, or his successor, decides to resolve the territorial dispute in order receive considerable Japanese economic assistance and stands down opposition with whatever measures are required. Japan and other members of the G-7 are encouraged to economic collapse and political fragmentation in the Russian Federation, Japan promotes a "Japanese model" of reform with greater central government control over the process.

*Judgements by Miyazawa/Japan:*

- J. Judgement by the Japanese government, in the spirit of the period after the Russo-Japanese War, that resolution of the dispute sufficient for normalization of relations is essential now in order to *gain the friendship* of its huge neighbor to the north and, therefore, to build a new security arrangement in the North Pacific where it has few friends.

Japan would demonstrate strength at a time when there is a significant change

in the global balance of power and the strategic configuration of the Asia-Pacific region, resulting from the disintegration of the Soviet Union, the reduction of American military presence, the expected unification of the two Koreas and the inevitable far-reaching changes in China.

- K. Judgement by the Japanese government that resolution of the dispute sufficient for normalization of relations is essential now in order to conclude World War II and the Cold War and to strengthen Japan's relations in the region, thus reaping benefits for Japanese businessmen and fishermen and the psychological and symbolic benefits of having closed the book on World War II. The postwar era with its attendant difficult and bitter memories would finally be over for Japan with the resolution of the dispute.
- L. Judgement by the Japanese government that Japanese political thinking and planning for a "New World Order" has reached an impasse on the issue from which it can only extricate itself by achieving a resolution. Japan must free itself from its "Northern Territories Syndrome." Japan's "old thinking" is proving an obstacle to establishing new security systems in Northeast Asia and elsewhere.
- M. Judgement by the Japanese government that the resolution of the territorial problem is necessary for the government and the LDP to prove their strength and efficacy. By achieving success on this issue they would hope to demonstrate potency for resolving other persistent political problems that have been stymied by the resistance of the opposition within the parliament.
- N. Rising tensions in the Russian Federation and former Soviet Union convince the Japanese government that the window of opportunity, for a satisfactory resolution of the dispute will soon close. It becomes clear that those Japanese who calculate that desperation will cause the Russians to concede have miscalculated. Thus Japan should act now, accepting some compromise, and affirming its political and financial support for Russian democracy and the Yeltsin regime.
- O. In the light of Russian statements that in deference to Russia's new status as a law-governed state Yeltsin intends to submit the dispute to the International Court of Justice, the Japanese government judges that Japan's claim to all four of the islands is not issues. The government is concerned that Japan could lose

two or even all of the islands and lose face before the international community. Miyazawa urges Yeltsin to settle through a bilateral political compromise in which Japan will be prepared to make concessions and demonstrate more flexibility. The Japanese government prepares Japanese public opinion accordingly.

- P. Judgement by the Japanese government that there are crucial *long-term economic benefits* in being one of the first to establish a strong foothold in the Russian economy and gaining unrivaled access to both natural resources in the Russian Far East, and Russia's educated population and significant technological achievements. Japan decides to normalize relations and become the primary supporter of Russian economic reform.
- Q. Judgement by the Japanese government that the time has come to determine the role Russia should play in the new order it hopes to establish in Asia. Disintegration, instability, chaos and dictatorship in Russia are deemed to be detrimental to Japan's interests, and the territorial dispute must be resolved within this broader context.
- R. Judgement by Japan that continued protest over the dispute, and its refusal to participate more actively in assistance to Russian reform, is souring its relations with other members of the G-7 and leading to the rise of anti-Japanese sentiment in both Russia and the West.

The US and Japan's other Western allies find the issue anomalous. They do not understand either the complexities of the dispute or Japan's stance. Public opinion may become more favorably disposed to Russia than to Japan. Western public opinion perceives Japan to be short-sighted and preoccupied with its own parochial interest at a time when the world is faced with the unpredictable and potentially dangerous consequences of the impending collapse and disintegration of the Russian Federation.

The Japanese government, therefore, accepts the necessity for greater compromise and flexibility and the normalization of the bilateral relationship. It realizes that Japan may become a convenient and obvious "scapegoat" should drastic setbacks occur in Russia.

- S. Judgement by the Japanese government that its chances of seeing a resolution of the dispute in its favor are greater if it waits for the political disintegration of

the Russian Federation and then deals directly with either an independent Far Eastern Republic or alternately forces a deal on a desperate central government in Moscow which is trying to keep the Federation together.

- T. A decision by the Japanese government to wait for the diversion of Russia through the emergence of a serious conflict on its western flank, either with Ukraine over the Crimea, or with Moldova and Ukraine over the Trans-Dniester region, or with the Baltic States over the fate of Russian nationals. Russia might then be persuaded to seek a settlement to win Japan's political support and economic assistance.

### III. Resolution of differences over disputed islands within the context of a comprehensive trilateral agreement *beyond* this dispute or bilateral Japanese-Russian relations.

- A. The US/West persuades the Russian government (Yeltsin and key associates) that normalization of relations with Japan is an essential *precondition* for the *full normalization of relations* with the *industrial democracies*.
- B. In the wake of the successful June 1992 Bush-Yeltsin summit and in the light of the United States' enthusiastic response for Russian reform, the US persuades the Japanese government that normalization of relations with Russia is a necessary condition for *Japan* to realize *its current aspirations in* international relations. Japan is persuaded that playing a major role in assisting the transition process in Russia will give it significant political leverage.

Japan realizes that in fully supporting Russian reform it has an unprecedented opportunity to boost its influence and international stature. For his part, the US President recognizes that the current situation offers both a window of opportunity for assistance to the Russian Federation, and also an opportunity for world statesmanship in taking the lead and urging Japan to join him. He perceives a means of addressing the currently unfavorable state of Japanese-US relations by brokering a resolution of the territorial dispute and being the guarantor of a new and mutually-advantageous Japanese-Russian relationship.

- C. The United States takes the lead in widening the Russian-US "partnership" in Europe and the Japanese-US "global partnership" to create a trilateral partnership in Asia.



- D. The US leads a *re-definition* of Asian security, creating a new collective security framework for the Pacific, based upon the Bush administration's concept of a "New World Order" and consequently "new regional orders." This requires the submersion of disputes within the framework, and the promotion of new measures for verification and transparency to allay old fears.
- E. The US promotes the idea of an "Asian Helsinki" for which normalization of Japanese-Russian relations is necessary prerequisite, or alternatively a consequence.
- F. The US persuades Japan of the necessity of normalizing relations in order to facilitate the adaption of the US-Japan Security Treaty to the new complex realities in the Asia-Pacific region. The bilateral treaty must be preserved as a factor of stability in the region, but it must be built upon to develop and consolidate both the emerging trilateral Japanese-Russian-US relationship and the broader multilateral relationships in the region.
- G. In a manner analogous to the Yeltsin suggestion that Russia would be interested in joining NATO, Russia joins the political elements of the US-Japan Security Treaty. This, plus other steps short of a return of the islands, persuades Japan that relations can be normalized prior to full settlement of the territorial dispute. But Japan expects that the dispute will be ultimately resolved as a consequence of the new trilateral relationship.
- H. The comprehensive *G-7 package of support* for Russian economic and political reform, in which Japan participates as a full G-7 partner despite the dispute with Russia, establishes the framework in which details of the disputed territories are resolved sufficient for a normalization of relations. Submersion of the issue in the G-7 package avoids any appearance of a "sale."
- I. In the course of the ongoing strategy to forge a "new world order" based on multilateral global cooperation at all levels (political, economic, strategic), both the United States and Japan find that hopes for a Northeast Asia *economic* region including China and the Koreas are being thwarted by the continuation of the Japanese-Russian dispute. Russia recognizes that it is being excluded from a process which could be crucial to its reform program.

APPENDIX B [CHART 1]  
Suggested Actions Japan Could Take Now to Make Resolutions More Feasible in 1992

SYMBOLIC POLITICAL ACTIONS	OBSTACLES	UNDERTAKEN
Movement beyond single focus (islands first) to two legs: territory plus support for Russian democracy and reform.	"Old Thinking"	Fall 1991
Humanitarian and technical assistance as part of the G-7.	Prior positions to the contrary taken by the Japanese Government	December 1991
Movement beyond humanitarian and technical assistance to general support as part of the G-7 \$24 billion package. This attempts to convince the Russian Federation that there will be real long-term Japanese investment and benefits for all the Federation.	Prior Positions	April 1992
Miyazawa and Watanabe to create a cross-factional coalition to strive for resolution through bold action now.	Factional infighting, political rivalry, and prior positions taken by others	
Movement beyond the previously fixed position of immediate transfer of the disputed islands to signal greater "flexibility" in approaching the dispute.	Prior positions and Japanese Foreign Ministry	May1992
Statement that if Russia recognizes Japan's sovereignty over the islands, Japan will be flexible as to the timing and modality of the transfer.	Prior positions, Foreign Ministry, Russian reaction	Miyazawa: Feb-March 1992 Watanabe: April-May 1992
Statement that if Russia recognizes Japan's sovereignty, Japan will recognize Russia's right to administer the islands for a few years.	Foreign Ministry, Russian reaction	Watabanabe: April 1992
Statements that Japan will protect the Russian inhabitants of the islands.	None	Miyazawa: 1992
Active diplomacy with G-7 to persuade them to press Russia.	Resentment in Russia	
Encouragement of visits by Japanese Diet members to Moscow for dialogue with "patriotic" members of the Russian Parliament.	Foreign Ministry, Japanese and Russian hardliners	

# Japan

ACTIONS TO PROMOTE BILATERAL POLITICAL AND ECONOMIC COOPERATION		OBSTACLES	UNDERTAKEN
<p>Implementation of a strategic program by Japanese to win "hearts and minds" of the islanders involving:</p> <ul style="list-style-type: none"> <li>• Humanitarian assistance</li> <li>• Outline of program for islanders and islands under Japanese residual sovereignty with explanation to islanders</li> <li>• Conversations with island political leaders</li> <li>• Targeted investments in islands</li> <li>• Third party pursuit of all of the above</li> </ul>		Prior positions, Russian regional authorities, Japanese hardliners	
<p>Japanese announcement that it is beginning to work on a blueprint for the development of the islands once they are returned, so that the transfer will be constructive for everyone concerned. This could include the establishment of an Institute, even if the islands are under UN administration for some period.</p>		Fear of misinterpretation by Russian hardliners	
<p>Establishment of a special Japanese Commission to focus on the development of Japanese-Russian relations.</p>		Japanese Foreign Ministry	
<p>Formulation of a special working group including academics, business figures, and other non-governmental representatives to resolve the dispute.</p>		Japanese Foreign Ministry	
<p>Establishment of Japanese-Russian working group on mutual security concerns to ensure resolution of all related issues to the territorial dispute.</p>		Japanese and Russian hardliners, defense community	
<p>Establishment of Japanese-Russian fishing working group, or expansion of current negotiations to ensure satisfactory resolution.</p>		Russian regional authorities, other interested countries	
<p>Establishment of Japanese-Russian natural resources working group to ensure satisfactory resolution of interests in oil, deep sea mining, etc.</p>		Russian regional authorities, other interested countries	
<p>Vivid illustration of economic benefits for denuclearization, environmental cleanup, and nuclear-related assistance, e.g. offer of \$1 billion package for environmental cleanup of any nuclear weapons state that joins Japan and the rest of the international community as non-nuclear weapons states (i.e. Kazakhstan, Ukraine, and Belarus, Russia as well if it will follow suit.)</p>		Prior positions, Russian regional authorities, Japanese hardliners	Partially begun fall 1992
<p>Proposal for the establishment of a joint Japanese-Russian commission to examine and discuss issues pertinent to future Japanese economic assistance to the Russian Federation such as: the extent and duration of substantial Japanese aid to Russia and the Far Eastern region; housing for resettled Russian troops from the disputed islands and the adjacent region after demilitarization (similar to German proposals for Russian troops); the necessary economic and social infrastructure for creating a jointly-developed special economic zone on the islands and in the Russian Far East, and for the civilian conversion of defense plants; the creation of technical and technological centers in the Russian Far East; and the conversion of defense plants; the creation of technical and technological centers in the Russian Far East; and the encouragement of direct, multilateral investment in the region and the Russian Federation to supplement Japanese efforts.</p> <p>The commission should agree to set up a <i>Comprehensive Economic Cooperation and Assistance Program</i> with the proposal of \$50 billion package for 10 years.</p>		<p>Japanese resistance, especially from the hardliners, the Ministry of Finance, and taxpayers to the proposal, on the basis that these issues can only be considered once the territorial dispute has been finally resolved.</p> <p>Russian public opinion, on the basis that this looks like preparatory negotiations on the terms of a "sale" of the islands.</p>	

Japan

ACTIONS TO CHANGE PUBLIC OPINION	OBSTACLES	UNDERTAKEN
Initiation of a public opinion campaign to modify its traditional stance and get the public to accept that all of the islands might not be returned at once. Declassification and publication of documents and frank discussion of history of islands and dispute. Acknowledgment that the Japanese side was responsible for aggressiveness and unjustified actions like the intervention in Siberia and military conflicts in Manchuria and Mongolia.	Japanese hardliners, Foreign Ministry	Partially begun in fall 1992
Shipment of more food, medical and humanitarian aid to islands, Sakhalin, and Russian Far East.	Japanese hardliners	Partially done in 1992 Pledge of more assistance at October Tokyo Conference on Assistance to Former Soviet Union
Education of the Japanese public that Japan and Russia should work towards a long-term partnership, including extensive economic assistance to Russia and that Japan can formulate a long-range development plan for the Russian Far East.	Japanese hardliners, Foreign Ministry	
The establishment of a Japanese-Russian committee for 21st century (similar to the existing Chinese-Japanese committee), including prominent academics, politicians, representatives of various groups, and private individuals.	Only the will to carry this out	

**Japan**

MILITARY CONFIDENCE-BUILDING MEASURES		OBSTACLES	UNDERTAKEN
Naval CBMs: conference on Japanese-Russian policy planning with representatives from Japan's self-defense forces.	Naval CBMs: conference on Japanese-Russian policy planning with representatives from Japan's self-defense forces.	Prior positions and "old thinking"	May 1992
Naval CBMs: consultations concerning ferryboat line connecting Japan and the Russian Far East.	Naval CBMs: consultations concerning ferryboat line connecting Japan and the Russian Far East.	Old thinkers	May 1992
Naval cooperation: Russian observation status at Japanese or Japanese-US naval exercises.	Naval cooperation: Russian observation status at Japanese or Japanese-US naval exercises.	Japanese defense community	
Naval cooperation: Exchange of port visits like Russian-US Vladivostok and San Diego.	Naval cooperation: Exchange of port visits like Russian-US Vladivostok and San Diego.	Both defense communities	
Announcement of readiness to demilitarize the islands, beyond the level necessary for internal security, once they returned plus significant Japanese troop reductions on Hokkaido coupled with an agreement with the Russian on reductions of Russian troops in the Vladivostok region.	Announcement of readiness to demilitarize the islands, beyond the level necessary for internal security, once they returned plus significant Japanese troop reductions on Hokkaido coupled with an agreement with the Russian on reductions of Russian troops in the Vladivostok region.	Japanese hardliners, both defense communities	
Announcement of a unilateral Japanese decision not to deploy forces on the islands, beyond the minimum level necessary for internal security, for 20 years after they have been returned. The decision should be renewable after 20 years.	Announcement of a unilateral Japanese decision not to deploy forces on the islands, beyond the minimum level necessary for internal security, for 20 years after they have been returned. The decision should be renewable after 20 years.	Japanese hardliners, Japanese defense community	
Initiation of a top-level security dialogue between the Russian Defense Minister and the Japanese Agency head, with periodic meetings to exchange analyses of the security environment in the Asia-Pacific region. To be complemented by a security dialogue between top military officers for mutual understanding of defense doctrines.	Initiation of a top-level security dialogue between the Russian Defense Minister and the Japanese Agency head, with periodic meetings to exchange analyses of the security environment in the Asia-Pacific region. To be complemented by a security dialogue between top military officers for mutual understanding of defense doctrines.	Japanese and Russian hardliners and defense communities	

APPENDIX B [CHART 2]

Suggested Actions *Russia* Could Take Now to Make Resolutions More Feasible in 1992–1993

SYMBOLIC POLITICAL ACTIONS	OBSTACLES	UNDERTAKEN
Announcement in a comprehensive address that the USSR fell into a trap in 1945 when it moved onto the four islands. This should be followed by a testimony by a team of scholars before the Russian Supreme Soviet on the issue (or alternatively the circulation of a "White Paper") and its history, and/or a briefing on the issue for deputies, with a subsequent debate of the issue within Parliament.	Yeltsin's own point of view. The availability of documents. (Documents may be found to show the rationale for the Russian occupation of the islands. For example, in his speech before the US Congress in Washington DC, Yeltsin demonstrated how "recently discovered" documents can be used to good effect.)	
Affirmation of the 1956 obligation at the highest level and indication of the "Putyatin document" of 1853 as the basis for the consideration of the position of the other two islands (Iturup and Kunashir), and the demarcation of the border between the two countries.	Russian Parliament, regional authorities, public opinion	
Restoration of wartime/Japanese POW cemeteries in Russia to Japan: to be palced under the control of the Japanese Embassy with free access to them for Japanese citizens and relatives. Expression of a clear apology or an expression of regret for the treatment of Japanese POWs after World War II.	Russian domestic opinion, regional authorities	
Invitation to Miyazawa to visit Moscow in early 1993 and to establish a pattern of regular Japanese-Russian summit meetings.	Hardliners in the Russian Parliament	
Request for the removal of the clause in UN Charter referring to "enemy countries."	Other UN members, China	
Indication of support for permanent Japanese membership in the UN Security Council	China, India, Brazil, Germany, other members of the Security Council, other Asian countries	
Agreement with Japanese that the sea zone around the islands is a special economic zone for Japanese and Russian relations. Access of third countries to this zone is therefore a matter of special concern.	Reaction of South Korea, Asian countries, US, etc. and Russian hardliners and regional authorities	
Expression of support for Japan's decision to participate in UN Peace Keeping Operations abroad, and for Japanese PKO activities.	Russian military and hardliners	
Statement that the US-Japan Security Treaty is a stabilizing factor in Asia and the world.	Mutual distrust among powers in Asia-Pacific Region and negative reactions from regional powers	
Encouragement of visits by Japanese Diet members to Moscow for dialogue with "patriotic" members of the Russian Parliament.	Foreign Ministry, Japanese and Russian hardliners	

**Russia**

ACTIONS TO PROMOTE BILATERAL POLITICAL AND ECONOMIC COOPERATION		OBSTACLES	UNDERTAKEN
The creation of a special commission for relations with Japan within the framework of the Presidency, headed by Burbulis, or some such prominent figure, with Prime Minister (or representative) as a member. The commission should meet regularly (perhaps bi-monthly) to observe the situation and to make proposals for improvement in relations. it should provide a window for the Japanese into the Russian government.		Government members on the basis that there are no similar commissions for other countries	
The establishment of an <i>Institute of Japan</i> , based in Moscow and Bladivostok. The institute should be both academic and practical to concentrate its focus and staff on the issues and problems of Japan and Japanese-Russian relations, including issues of business, academic, and technological cooperation. The institute should be independent, snall and effective.		Funding and resources	
The establishment of a Japanese-Russian committee for the 21st Century (similar to the existing Chinese-Japanese committee), including prominent academics, politicians, representatives of various interest groups and private individuals.		Only the will to carry this out	
The indication of a more favorable attitude towards the creation of a special zone in the Yellow Sea/Sea of Japan, such as the UNDP Tumen River Project. This will encourage the Western Japanese Prefectures and others to develop economic programs for the region. A permanent commission in bladivostok should be established to deal with such projects.		Only the will to carry it out. Some Russians might also worry about Tumen would syphon support away from the Far East. Bladivostok as the center may, however, be welcome.	
Recommendation to local authorities to provide foreigners and Japanese with guarantees for their investments in the Far East, to accelerate economic development.		Russian domestic and regional opinion, regional authorities, Parliament [Opinions should be examined for mixed views and regional ambivalence]	
Proposal to establish a special bilateral (and even trilateral, with the participation of the United States) Japanese-Russian resources commission to respond immediately to environmental abuses in the Sea of Okhotsk region and the over-exploitation and depletion of marine resources.		Russian regional authorities, hard-liners, military	

**Russia**

ACTIONS TO CHANGE PUBLIC OPINION	OBSTACLES	UNDERTAKEN
Publication of documents on the history of the issue to be accelerated with documentaries, books, interviews. Russian acknowledgement of the history of the issue.	Russian hardliners, availability of documents, the commitment to publish them, timing	Partially begun in fall 1992
Public opinion campaign initiated: direct engagement of the mass media to change public opinion, to work actively for an eventual compromise. (Issue a directive to media under direct control of government.)	Obstacles only if directive leaked to "opposition" press, leading to accusations against the government from headline factions	



**Russia**

MILITARY CONFIDENCE-BUILDING MEASURES	OBSTACLES	UNDERTAKEN
Complete withdrawal of troops from the disputed islands.	Russian hardliners, military, and regional authorities	
Cessation of military activities around the Japanese islands, including ending flights of fighter aircraft near the Japanese border.	Russian defense community and hardliners	
Announcement of the demilitarization of the zone around the disputed islands, Sakhalin and Kamchatka, etc. on a reciprocal basis. Initiation of a security conference with Japan, the US, and China.	Russian and Japanese defense community and both hardliners	
Access for Japanese naval representatives to Vladivostok and other naval CBMs.	Russian defense community and hardliners	
Announcement of the intention to endorse the transparency of military information in the Russian Far East and North Pacific, including the number of troops and arms according to the military district. This would include an announcement in the publication of periodic "Defense White Papers."	Russian defense community	
Agreement to conclude an "Open Skies" arrangement, with the participation of Japan and the US for the region which includes the eastern half of Siberia.	Russian defense community, hardliners, etc.	
Discussion and announcement with Japan and the US of an agreement on the prevention of accidents at sea for the North Pacific. All three countries made a similar agreement in 1988 for a three-power air accident prevention.	Russian and Japanese Navies	
Proposal for some kind of Russian association with the US-Japan Security Treaty arrangements.	Negative reaction from the regional powers, socio-economic diversity in Asia, mutual distrust between all parties in region.	

APPENDIX B [CHART 3]  
Suggested Actions *the US Could Take Now to Make Resolutions More Feasible in 1992–1993*

SYMBOLIC POLITICAL ACTIONS	OBSTACLES	UNDERTAKEN
Indication of US role in the dispute, especially in the 1950s at the height of the Cold War, and public affirmation of its desire to see the issue resolved.	Declassification of documents, domestic public opinion, Russian and Japanese public opinion	
Discussion of the issue seriously with Yeltsin and Miyazawa, explaining the importance of a resolution of the dispute for which, during the Cold War, the US was in part responsible; explaining the US's view of the history and interests; listening to their views on these issues; and expressing US willingness to be an "honest broker" to try to resolve the dispute in a way that meets Japanese and Russian real interests.	Russian political situation. Potential for a leak to press and Russian hardliners seeing this as US pressure to resolve in favor of Japan. Government preoccupation with US domestic issues.	
Delivery of message to Moscow stating that the US expects a bilateral summit to be a turning point in Japanese-Russian relations and that a positive action or gesture from Yeltsin would facilitate the G-7 discussion on aid to Russia.	Russian political situation, potential leak to the press	Mid-July 1992
Attempt to persuade Russia of the urgency of solving the dispute now that the US will offer guarantees such as the convocation of a broader regional conference to accompany any bilateral peace treaty (an "Asian Slinky"), as a signatory of the 1951 San Francisco Peace Treaty. The US promises to reassure other Asian countries that the resolution of the dispute is a positive step towards increased regional security and development.	Other Asian countries, Japanese political situation, Russian hardliners and public opinion, US preoccupation with domestic issues	
Willingness to make an objective statement on the events of World War II leading up to the Russian occupation of the islands, to accompany any address by Yeltsin on this issue.	Documents, timing, Russian situation	

**United States**

ACTIONS TO PROMOTE TRILATERAL POLITICAL AND ECONOMIC COOPERATION		OBSTACLES	UNDERTAKEN
Establishment of Institute of Asia-Pacific Studies, including an Institute for Asia-Pacific cooperation, with a multi-lateral base and projects brainstorming on frameworks for future multilateral cooperation in the region. The institute should hold conferences operating from permanent bases, i.e. Vancouver, Seattle, or California and including the Kuril Islands		Funding	
Establishment of Institute of Asia-Pacific Studies, including an Institute for Asia-Pacific cooperation, with a multi-lateral base and projects brainstorming on frameworks for future multilateral cooperation in the region. The institute should hold conferences operating from permanent bases, i.e. Vancouver, Seattle, or California and including the Kuril Islands		US domestic opinion, domestic political situation, Japanese and Russian hardliners, regional authorities	
Proposal for a summit between Japan, Russia, and US to tie together loose ends from a bilateral summit and to indicate the world and regional significance of trilateral ties.		None	
Proposal for a US dividend with more sharing of technology and joint economic activities suggesting a new trade association.		US domestic opinion	

United States

MILITARY CONFIDENCE BUILDING MEASURES	OBSTACLES	UNDERTAKEN
Support for all Japanese-Russian agreements on political and military issues. The US should be in favor of the eventual reduction of military forces in the region to a reasonable level.	Defense community	
Initiation of a security conference in the Sea of Japan/Okhotsk, with triateral CBMs, naval exchanges, etc.	Respective defense communities	
Proposal for a triateral-based conference on a new framework for mutual security in the region including China, the Koreas, and Canada in the 21st Century. This implies discussion of how to transform the US-Japan Security Treaty into a framework for a broader regime for mutual security.	China, Korea, respective defense communities, vested interests in current US-Japan Treaty	
Statement that US is willing to begin consultations on North Pacific security with the aim that the transfer of the disputed islands to Japan should not threaten Russia's national security in any way.	Respective defense communities	

## APPENDIX C

# Obstacles to a Positive Resolution of the Territorial Problem

## Psychological Factors

### *For Russia:*

- Public opinion and public consciousness in the midst of an ongoing revolution that encompasses the state, the social order, public values, and morals; widespread opposition by the Russian population to the idea of territorial concessions in the wake of the disintegration of the Soviet Union and the resurgence of the concept of a “great Russia”, etc.
- Inertia of old political thinking and the old system of values, and the cynicism of politicians and the population as a whole.
- Ignorance of the history of the problem and its legal basis on the part of the majority of the population; the deeply rooted misperception that Russia has had national sovereignty over the Kurils, including the southern Kurils “from time immemorial.”
- General hostility, distrust, and suspicion of Japan that is grounded in a long history of two wars, two serious military conflicts, and Japanese intervention in Siberia, all of which has been reinforced by official Soviet propaganda.
- Expectation that returning the islands would entail a “loss of face” and would be seen as an act of national humiliation and national weakness.
- Suspicion that any concessions would amount to a “sale” of the islands.

### *For Japan:*

- Hostility, distrust, and suspicion that are deeply rooted in the national consciousness as a result of wars, military conflicts, the perceived violation of the 1941 Neutrality Pact, and the unjustified internment of 660,000 Japanese POW’s in Siberia, with the death of 60,000 of

these. This has been reinforced by government propaganda, especially during the Cold War.

- Inertia of old political and strategic thinking and the old system of values.
- Failure by the Japanese in comparison with Germany to acknowledge responsibility for WWII, and the consequent exaggeration of the extent of the Soviet Union's treachery.

## Political Factors

*For Russia:*

- Rivalry between different political parties and groups who have seized "patriotism" as a means of attracting support and of attacking opponents for any action that can be portrayed as a territorial concession. The dispute provides a target not only for right-wing politicians, but also for factions within the democratic camp.
- Conflicts between the executive and legislative powers (the President/government and the Parliament) that negatively affect future resolution of the territorial dispute, owing to widespread sentiment in the Parliament against any territorial compromise.
- Weakness and vulnerability of the political leadership, which encourages caution and hesitation when facing tough political decisions. The populist base of Yeltsin's support constrains his movement.
- Conservatism and political demagoguery of a number of representatives from both old and new political forces within the Sakhalin and Oblast administrations, who are trying to gain political capital as a result of the territorial issue.
- Growth of separatism and the disintegrative processes within Russia. Russian politicians fear that territorial concessions to Japan may result in a "Pandora's Box" effect, strengthening claims for independence in Tatarstan, Chechnya, Yakutia, the Russian Far East, etc.
- Orientation of Russian foreign policy towards the West, rather than the East; most Russian politicians are convinced that their main strategic direction is the West and that relations with Japan are less important and can be easily compensated for by good relations with the US and Europe.

*For Japan:*

- Political weakness and vulnerability of an administration incapable of implementing serious and radical initiatives, which is forced to consider the interests of other factions and groups within the ruling party.
- Use of the territorial issue by political factions and groups in their struggle with opponents, especially to embarrass them over alleged compromises.
- Mantra of all political parties and the parliament on the formula for resolution: “In the end, whatever the circumstances, sovereignty over all the four islands should be granted to Japan.” This limits flexibility in seeking a mutually acceptable compromise.
- Absence of a constituency or lobby in favor of Russia.
- Strategic orientation of Japanese policy towards the US, Europe, and Southeast Asia.

## Military-Strategic Factors

*For Russia:*

- Fear that Russia’s security interests and military-strategic opportunities in the region will suffer as a result of territorial concessions; the lack of disarmament and arms reduction processes in the region; the awareness that the US has preserved its military potential, including its ability to monitor the maneuvers of the entire Russian Pacific Fleet; the fear that the Russian fleet’s capabilities to perform strategic tasks will be further impaired, especially with regard to the US 7<sup>th</sup> fleet and patrolling of the US Pacific Coast.
- Resistance of military-political structures, which are for the most part conservative and traditionally opposed to any territorial concessions.

*For Japan:*

- Resistance of the Japanese self-defense forces to possible concessions to the Russian military such as: the temporary preservation of Russian military bases, demilitarization of the islands, free passage through the straits, etc.

## The Economic Fear

### *For Russia:*

- Fear that transfer of the islands will lead to the loss of the islands' 200-mile economic zone (including the continental shelf), especially in the Sea of Okhotsk. Misperceptions regarding Japan's readiness to guarantee Russian vital interests against such a loss.

### *For Japan:*

- Widely publicized claims that if the islands are returned to Japan, it will be necessary to spend billions of dollars on their development and to compensate to losses of the local population.
- Concern that any settlement will require Japan to provide massive economic assistance to Russia—or will leave Japan vulnerable to G-7 pressure for such assistance.

## The International Factor

### *For Russia:*

- Fear that a territorial concession will be perceived as a sign of Russia's weakness and will further erode the country's prestige and influence in the international arena and particularly in Asia.
- Belief that a territorial concession to Japan will increase territorial demands from Germany (to the Kaliningrad region, formerly Königsberg), Finland (to Karelia), China (to the disputed islands in the Amur River and hypothetically to approximately 1.5 million square km in the Primorye Region), and from others, including the newly independent states of the former Soviet Union.
- Negative reaction from China, North and South Korean to the possible full normalization of Japanese-Russian relations, since this will be seen as reinforcing Japanese political influence in Asia, ultimately leading to hegemonic Japanese ambitions in the region.



*For Japan:*

- Fear of a negative reaction from South Korea, China, and other Asian neighbors (and possible subsequent attempts to manipulate other disputes over the Senkaku Islands and the Liancourt Rocks).



## APPENDIX D

# **Inventory and Extracts of Key Documents Pertaining to the Genesis of the Territorial Dispute [1855-1991]**

### **Inventory**

1. The Treaty of Commerce, Navigation and Delimitation between Japan and Russia, January 26, 1855.
2. "It Was Easier for Putiatin to Draw the Border Between Russia and Japan," by Konstantin Sarkisov.
3. Treaty Concluded Between Russia and Japan, April 25 (May 7), 1875 with an Additional Article Signed in Tokyo on August 10 (August 22), 1875.
4. Treaty of Commerce and Navigation, June 8, 1895, and annexed Declaration confirming the 1875 Treaty.
5. Ratification of the Treaty of Peace Signed at Portsmouth, Maine on August 23, 1905.
6. Convention on the Fundamental Principles for Relations between the USSR and Japan, January 20, 1925.
7. Neutrality Pact Between the USSR and Japan, April 13, 1941.
8. Joint Statement by President Roosevelt and Prime Minister Churchill, Atlantic Charter, August 14, 1941.
9. Declaration of the Soviet Government at an inter-union conference in London on September 24, 1941.
10. Meeting Communique, (Cairo Declaration) December 3, 1943.
11. Minutes of a Meeting of the Pacific War Council, January 12, 1944.
12. Telegram From the Ambassador in the Soviet Union (Harriman) to the President, December 15, 1944.

13. Bohlen Minutes of the Roosevelt-Stalin Meeting at Livadia Palace, February 8, 1945.
14. Agreement Regarding Entry of the Soviet Union Into the War Against Japan. Signed February 11, 1945.
15. Announcement by the Soviet Government, April 5, 1945.
16. Potsdam Proclamation by China, the United States of America, and the United Kingdom, July 26, 1945.
17. Announcement by the Soviet Government to the Government of Japan, August 8, 1945.
18. Announcement of the Japanese Government, August 14, 1945.
19. Exchange of Messages Between the Supreme Commander for the Allied Powers and Japanese General Headquarters.
20. Memorandum by the Joint Chiefs of Staff for the State-War-Navy Coordinating Committee: Instruments for the surrender of Japan, August 14, 1945.
21. General Order Number 1, August 14, 1945.
22. Clarification of the Central Command of the Red Army on the Surrender of Japan, August 16, 1945.
23. The Chairman of the Council of People's Commissars of the Soviet Union (Stalin) to President Truman, August 16, 1945.
24. President Truman to the Chairman of the Council of People's Commissars of the Soviet Union (Stalin), August 17, 1945.
25. The Chairman of the Council of People's Commissars of the Soviet Union (Stalin) to President Truman.
26. The Secretary of State to President Truman: Suggested Message from President Truman to Generalissimo Stalin. Sent as drafted on August 27, 1945.
27. Stalin's "Address to the Soviet People," September 2, 1945.
28. "The Landing of Soviet Forces on Hokkaido and Southern Kurils," by Boris Slavinsky.

29. General Headquarters: Supreme Commander for the Allied Powers, SCAPIN 677, January 29, 1946.
30. Decree of Presidium of the USSR Supreme Soviet, February 2, 1946.
31. Memorandum by the consultant to the Secretary (Dulles) to the Assistant Secretary of State for Economic Affairs (Thorp), August 9, 1950.
32. Memorandum of Conversation by Colonel Stanton Babcock of the Department of Defense, October 26-27, 1950.
33. Aide-Memoire from the British Embassy to the Department of State. March 12, 1951.
34. Aide-Memoire from the Department of State to the British Embassy, March 13, 1951.
35. Joint United States-United Kingdom Draft Peace Treaty, May 3, 1951.
36. The Ambassador to the United Kingdom (Gifford) to the Secretary of State, June 5, 1951.
37. Revised United States-United Kingdom Draft of a Japanese Peace Treaty, June 15, 1951.
38. Excerpts from the Chapter "The Territorial Question" of the *Yoshida Memoirs*.
39. Second Plenary Session of the 1951 San Francisco Peace Conference. Opera House, 3 p.m., September 5, 1951. Speech by the Delegate of the United States, John Foster Dulles
40. Second Plenary Session of the 1951 San Francisco Peace Conference. Opera House, 3 p.m., September 5, 1951. Speech by the Delegate of the USSR, A.A. Gromyko, (Deputy Minister of Foreign Affairs).
41. Eighth Plenary Session of the 1951 San Francisco Peace Conference. Opera House, 8 p.m., September 7, 1951. Speech by the Delegate of Japan – Shigeru Yoshida (Prime Minister and Minister of Foreign Affairs).
42. Treaty of Peace with Japan, San Francisco, September 8, 1951.
43. Answer by Japanese Deputy Foreign Minister Morishita, February 11, 1956.
44. Memorandum of a Conversation Between Secretary of State Dulles and Foreign Minister Shigemitsu, Ambassador Aldrich's Resident, London, August 19, 1956, 6 p.m.

45. Letter from S. Matsumoto to A. A.Gromyko, September 29, 1956.
46. Letter from A. A.Gromyko to S. Matsumoto, September 29, 1956.
47. Joint Declaration by the Union of Soviet Socialist Republics and Japan, Signed at Moscow on October 19, 1956.
48. Memorandum from the Soviet Government to the Japanese Government, January 29, 1960.
49. Memorandum from the Japanese Government to Refute the Soviet Memorandum, February 5, 1960.
50. Secretary Herter's News Conference, February 8, 1960.
51. The Japanese Government's Unified View on the Definition of the Northern Territories, 1968.
52. The Joint Communique by Japan and the Soviet Union, Signed in Moscow on October 10, 1973.
53. Japan-USSR Joint Communique, April 19, 1991.
54. Letter from B.N. Yeltsin to the Russian People.

Document 1

**THE TREATY OF COMMERCE, NAVIGATION AND DELIMITATION BETWEEN  
JAPAN AND RUSSIA**

JANUARY 26, 1855

(EXTRACT)

Article 2

Henceforth the frontier between Japan and Russia will run between the islands of Iturup and Urup. The entire island of Iturup belongs to Japan and the entire island of Urup, as well as the other Kuril islands to the north of that island, belong to Russia. As for the island of Karafuto (Sakhalin), it remains as heretofore undivided between Japan and Russia.

*Translated by the Strengthening Democratic Institutions Project*

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Document 2

*Konstantin Sarkisov*

*K. Cherevko*

*Izvestia, October 4, 1991*

**IT WAS EASIER FOR THE PUTIATIN TO DRAW THE BORDER  
BETWEEN RUSSIA AND JAPAN**

PREVIOUSLY UNKNOWN HISTORICAL DOCUMENTS  
REGARDING THE DISPUTED KURIL ISLANDS

The August events had many characteristics of a revolution. And our revolution had not only an internal but also an external aspect. The conditions necessary for us to become a member of the free world, to live and act according to the laws of democratic states finally exist. But

is the August revolution sufficient for a complete reevaluation of our totalitarian past, of our expansionism in the worst sense of the word? At first it seems enough. But we should hurry to make such a conclusion. The past remains in the consciousness of millions, many people have trouble parting with illusions and legends of the past. This is a painful process. It touches on the most sensitive sphere—the national psychology.

Especially when the issue is a territorial problem. Is the new democracy capable of overcoming such a problem in our relations with Japan? According to the results of Khasbulatov's visit to Japan and the reaction it provoked in the country, as well as among the democrats, this is not an idle question.

The lesson we should learn from the visit is that such questions can not be resolved as a result of a political will of even the most advanced and influential leaders of the new democratic government. It is necessary to carefully prepare public opinion, which has become an especially influential force after the August events.

Nor can the resolution of this problem cannot be linked to the issue of economic aid either. Unfortunately, no one believes in the official statements that it is impossible to trade territories. That is the atmosphere our people were brought up in. They would rather believe in someone's self-interest, than in his honesty and decency.

That is why the territorial problem cannot be resolved from the position of the weak and the needy. It can be done only from a morally strong position, from the position of a people who have won the freedom and right to form their foreign policy, based not on historical justice. The August revolution offers such an opportunity.

But we should not hurry. Considering the complexity and delicacy of the problem, it would make sense to develop the positive aspects, that have already been achieved during Gorbachev's April visit to Japan. It is necessary to immediately start bilateral negotiations on the signing of a peace treaty on the basis of a resolution of the territorial problem through a mutually acceptable compromise. We should achieve something the Soviet President has failed to achieve because of pressure from the right, and, by the way, from the Russian democratic parliament, where a campaign under the slogan "We will not give up Russian territories" has been launched. The scheme is very simple: we should recognize our international obligations and start negotiations aimed at removing contradictions. But in any case, most attention should be paid to the psychological aspect of the problem. Gorbachev's caution and a certain inconsistency in his actions on the territorial issue were caused by the fear of a strong reaction from public opinion. Both the left-wing and the right-wing have skillfully used this in their own interests. These fears are



probably not unjustified. The history of the territorial dispute, falsified by politically engaged scholars, has been instilled in the consciousness of the people. How can you agree to give up territories you consider to be your own? This is a national disgrace!

This is the psychological trap set for the people by their “benefactors.” And the theory that the territories belonged to Russia “from time immemorial” has been cultivated not only during totalitarianism, but later as well.

Thus, the most difficult obstacle today is the beliefs enforced on the national consciousness with regard to historical sovereignty over the disputed islands. And as long as the consciousness remains in its current state, the most reasonable concessions on our part will be perceived as a deal, at best, or as a betrayal of national interests—at worst.

We would not like to moralize on historical subjects. Stalin’s behavior was the same as the behavior of all sovereigns in Russia, as well as in other countries. Imperialist Japan acted similarly, maybe in an even more cruel and cynical fashion.

It is necessary to respect the national consciousness. It requires extreme sensitivity. Especially now, when there are so many reasons for its humiliation. That is why it is necessary to resolve the territorial problem not in a cavalry attack, but in the process of careful work with the society. First of all it is necessary to disclose the whole truth. We should persuade society that it is in our own interests to resolve the territorial problem, that we are not doing it for the Japanese.

The greatness of a country and a people lies in their ability to understand correctly their national interests, to be able to purify themselves of the filth and sins of the past (our readers will excuse us for the Christian motif in a political interpretation). Deeply believing this, we decided to introduce the public to some new documents, which we have obtained with the assistance of the USSR Ministry of Foreign Affairs. The documents were in its archives.

So let us present the readers with the “Draft of the Additional Instruction to Admiral Putiatin” number 730. It was produced by the Ministry of Foreign Affairs on February 27, 1853. The front page states: “His Majesty the Emperor wrote the following on this document with his own hands: ‘Be it so enacted.’ February 24, 1853.”

We are dealing with the text of the instruction to Admiral Putiatin with regard to his negotiations with the Japanese on the signing of a trade and border treaty. According to tsar Nicholas I’s resolution, and according to the document itself, it was not only approved by the tsar, it was in fact an order.

The Russian Foreign Ministry was concerned with the need to accelerate the process of concluding of a treaty with Japan. Such a treaty would have made it possible for Russia to

have trade connections with Japan and Russian military and trade vessels would gain access to Japanese ports. The intonation of the instruction showed a strong Russian intention to “open up” Japan. We should remember that at that time the English and the Americans were actively pursuing the same goal.

The order to understand the process of the formation of borders between the two countries, we should remember that Russia was the initiator of their establishment. This basically amounted to “a demand” to draw the border. To some extent this Russian initiative was a result of tactical considerations. Knowing that the shogunate followed a self-isolationist policy, and would probably refuse to establish contacts and sign a treaty, Russia came up with a proposal on borders. It was hard for the Japanese to reject such a proposal, since Russia could do it unilaterally with conditions that would not satisfy Japanese interests. “Simply by posing this question, we may be able to convince the Japanese government to make concessions,” reads the instruction.

Now let us get to the substance of the document which sheds light on the history of the establishment of borders between Russia and Japan. In order for the reader to get a clear understanding of the following lines, we should remind you that during the whole post-War period, Soviet historians actively advertised the idea that the Kurils, including the Southern Kurils, have always belonged to Russia. And the fact that in the course of territorial negotiations they had been transferred to Japan was explained as the unjustified concession of a Russian admiral.

Where is the truth? The following document contains the answer to this question.

*On the subject of borders, we should make concessions (without, however, damaging our interests), but considering that the attainment of the other goal, namely, trade benefits, is essential. The southernmost Kuril island, belonging to Russia is Urup, and therefore the southern tip of that island will be our border with Japan, while the end of Japanese territory will be the Northern tip of Iturup island. If by any chance the Japanese government should try to claim this island, you might explain that the best proof of it being ours is that the Russian-American company, which manages Russian property in America and in different seas, not only manages Urup in the same manner as our other Kurils, but even has a settlement there, and in general that island is considered to be the border of our territories in the Kuril islands.*

It seems we have discovered the truth! According to a major historical document, sovereignty over the Southern Kurils, which is the current issue in dispute, was never questioned by Russia. Russia always acknowledged Japan's right to it voluntarily, without any pressure from

outside. Moreover, the government tried to figure out how to keep Urup in case the Japanese presented their claims to it.

What were Putiatin's actions? They were brilliant, since he was an experienced negotiator. He made a simple but effective move—he presented counter-claims. Not to all the islands, like his compatriots did in the 20<sup>th</sup> century, but only to Iturup. Let us pass the floor over to Putiatin. The following is an excerpt from another old document: “Memo on the activities of Admiral Putiatin during his mission to Japan”:

*According to the instruction I received from the Ministry of Foreign Affairs, I was supposed to identify Urup as our border island of the Kurils, as it happens to be in reality, and to consider the end of Japanese territory to be the island of Iturup. I also hinted that we had claims on this island, since it is populated by the Ainu and is rarely visited by the Japanese. The purpose of this announcement, however, was not to actually insist on its transfer, but to relinquish it and thus to ensure that we do not appear completely adamant and inflexible in Japanese eyes.*

Putiatin actually tried to question Japanese rights to Iturup. But only to this island. This is what he wrote to the “Japanese Supreme Soviet” on November 6 (18), 1852:

The undefined borders offered a pretext for doubts about Iturup. Russia has enjoyed sovereignty over the Kuril islands to the North of Japan for a long time, and these islands are fully under Russian control. Iturup, populated by Kurilians [Ainu] and partly by the Japanese, belongs to these islands. But Russian merchants have had settlements on this island for a long time. This is what leads to the question: should it be Russian or Japanese.

According to this document, Putiatin's attempt to add Iturup to Russian territories was more the result of his energetic behavior, than his strong beliefs. It was not accidental that, instead of openly declaring Russia's rights, he simply questioned the indisputableness of Japan's sovereignty over this island.

It is time to draw some conclusions. The historical documents quoted above make it possible for us to honestly evaluate the history of our relations with our Eastern neighbor. Will we lose anything from this? No. On the contrary. Freed from false ideas, we will be able to liberate ourselves. The lies that have been instilled in the consciousness of the Russian and Soviet people for decades have poisoned our national consciousness and complicated the resolution of the territorial problem with Japan. They have aroused feelings of pseudo-patriotism and nationalism which have nothing to do with love for one's Motherland.

What is next? Should we recognize the islands as historically Japanese and return them?

This is not a fully justified approach. Territorial problems are usually resolved not on a historical, but on a legal basis, on the basis of current treaties and agreements. It is very difficult to write history, although it is necessary to correct mistakes. Otherwise the world will be in chaos. As is already happening in different parts of the world. Gorbachev is right in saying that there needs to be time to work.

This does not mean that we should all sit and do nothing. Scholars should start cleaning the Aegean stables of pseudo-history, diplomats should develop mutually acceptable formulas at negotiations. And we should not forget about the people, especially those who live on the islands. They are the least to blame.

*Translated by the Strengthening Democratic Institutions Project*

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### Document 3

**TREATY CONCLUDED BETWEEN RUSSIA AND JAPAN  
APRIL 25 (MAY 7), 1875  
WITH AN ADDITIONAL ARTICLE SIGNED IN TOKYO  
ON AUGUST 10 (AUGUST 22), 1875  
(EXTRACT)**

#### Article 1

His Majesty, the Emperor of Japan, speaking for Himself and for His Heirs, cedes to His Majesty, the Emperor of All Russia, a part of the territory of the island of Sakhalin (Karafuto), which he shall henceforth possess with all the supreme rights that stem from this possession and thus, henceforth the indicated island of Sakhalin (Karafuto) shall completely belong to the Russian Empire and the border between the Russian and Japanese Emperors shall pass in those waters across the Laperuzov Strait.

#### Article 2

In return for the ceding to Russia of the rights to the island of Sakhalin as mentioned in Article 1, His Majesty the Emperor of All Russia speaking for Himself and for His Heirs, cedes to His Majesty, the Emperor of Japan, the group of islands, known as the session and thus, henceforth the said group of Kuril Islands shall belong to the Empire of Japan. This group shall include the eighteen islands indicated below, that is: 1) Shumshu, 2) Alaid, 3) Paramushir, 4) Makanrushi, 5) Onkotan, 6) Harimkotan, 7) Ekarma, 8) Shiashkotan, 9) Mussir, 10) Raikoke, 11) Matau, 12) Rastua, 13) the islets of Sredneva and Ushisir, 14) Ketoi, 15) Simusir, 16) Broton, 17) the islets of Cherpoi and Brat Cherpoi and 18) Urup, and thus the border between the Russian and Japanese Empires in these waters shall pass across the strait located between Cape Lopatka on the Peninsula of Kamchatka and the island of Shumshu.

*Translated by the Strengthening Democratic Institutions Project*

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#### Document 4

**TREATY ON COMMERCE AND NAVIAGTION  
BETWEEN RUSSIA AND JAPAN OF JUNE 8, 1895 AND  
ANNEXED DECLARATION CONFIRMING THE TREATY OF 1875  
(EXTRACT)**

#### Article 18

This treaty, from the day it goes into effect, replaces the following documents: the treaty signed on the 21<sup>st</sup> day of the 12<sup>th</sup> moon of the first year of Ansei, which coincides with January 26, 1855; the treaty on the trade and friendship, signed on the 11<sup>th</sup> day of the seventh moon of the fifth year of Ansei, which coincides with August 7, 1858; the convention signed on the 28<sup>th</sup> day of the 11<sup>th</sup> moon of the third year of Keio, which coincides with December 11, 1867, and all additional agreements and conventions, signed or existing between the High negotiating Parties; and from that same day the noted contracts, agreements and conventions become invalid. As a result of that, the jurisdiction advantages, which Russians used to enjoy until then as part of this jurisdiction, are terminated and abolished completely without special notice, the rights

under this jurisdiction will be from that moment transferred to the Japanese judiciary and will be exercised by it.

(Signed in St. Petersburg)

### Declaration

The parties, who have signed below, declare that Article 18 of the treaty signed on this date does not relate either to the treaty signed on April 25 (May 7), 1875 between His Majesty the Russian Emperor and his Majesty the Japanese Emperor, or to the additional article, signed in Tokyo on August 10 (22) of that same year, whereas the treaty and the article remain in effect.

St. Petersburg, May 27 (June 8) 1895

*Translated by the Strengthening Democratic Institutions Project*

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### Document 5

**RATIFICATION OF THE TREATY OF PEACE  
SIGNED AT PORTSMOUTH AUGUST 23, 1905  
BETWEEN RUSSIA AND JAPAN  
(EXTRACT)**

### Article 9

The Imperial Government of Russia cedes to the Imperial Government of Japan, in perpetuity and full sovereignty, the southern part of the island of Saghalin [sic], and all the islands adjacent thereto, as well as all the public works and property there situated. The fiftieth parallel of north latitude is adopted as the limit of the ceded territory. The exact boundary line of this territory shall be determined in accordance with the provisions of additional Article 2 annexed to this treaty.

Japan and Russia mutually agree not to construct within their respective possessions on the island of Saghalin, and the islands adjacent thereto, any fortification or similarly military work. They likewise mutually agree not to adopt any military measures which might hinder the free navigation of the Straits of La Perouse and Tartary.

## Article 12

The Treaty of Commerce and Navigation between Russia and Japan having been annulled by the war, the Imperial Governments of Russia and Japan agree to adopt as a basis for their commercial relations, until the conclusion of a new treaty of commerce and navigation on the basis of the treaty in force before the present war, the system of reciprocity on the principle of the most favored nation, including import and export tariffs, custom-house formalities, transit and tonnage dues, and the admission and treatment of the agents subjects and vessels of one country in the territory of the other.

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## Document 6

### **CONVENTION OF THE FUNDAMENTAL PRINCIPLES FOR RELATIONS BETWEEN THE USSR AND JAPAN**

JANUARY 20, 1925

(EXTRACT)

## Article II

The Union of Soviet Socialist Republics agrees that the treaty concluded in Portsmouth on September 5, 1905 shall remain fully in effect.

It is agreed that the treaties, conventions and agreements, except the noted Portsmouth Treaty, signed between Russia and Japan before November 7, 1917, will be reviewed at a conference, which should take place later between the governments of the negotiating sides, and that they can be changed or annulled according to the new circumstances.

## Declaration

When signing today the Convention on the Fundamental Principles for relations between the Union of Soviet Socialist Republics and Japan, the plenipotentiary representative of the Union of Soviet Socialist Republics, who has signed below, has the honor to declare that his government's recognition of the Portsmouth Treaty of September 5, 1905 does in no way mean that the Soviet government shares the political responsibility with the former Tsarist government for signing the noted treaty.

Peking, January 20, 1925

*(The Convention was ratified by the Presidium of the Central Executive Committee on February 20, 1925; the exchange of ratification letters took place in Peking on April 15, 1925)*

*Translated by the Strengthening Democratic Institutions Project*

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## Document 7

### **NEUTRALITY PACT BETWEEN THE USSR AND JAPAN**

APRIL 13, 1941

(EXTRACT)

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and His Majesty the Emperor of Japan, motivated by the desire to strengthen peaceful and friendly relations between the two countries, have decided to sign a neutrality pact, and assigned their plenipotentiary representatives to achieve this goal:

## Article 1

Both negotiating parties pledge to support peaceful and friendly relations with each other and mutually to respect the territorial integrity and inviolability of the other side.



## Article 2

In the event that one of the negotiating parties becomes subject to a military attack by a third or several third parties, the other negotiating party will remain neutral during the whole period of the conflict.

## Article 3

This pact comes into force on the day of its ratification by both sides and will be valid for five years. If neither side denounces the pact a year before the end of that five-year period, it will be considered to be automatically extended for the next five years.

## Article 4

This pact should be ratified as soon as possible. The exchange of ratification letters should take place in Tokyo also as soon as possible.

V. Molotov      Iositsugu Tatekava      Iosuke Matsuoka

*(Signed in Moscow on April 13, 1941*

*Ratified on April 25, 1941)*

*Translated by the Strengthening Democratic Institutions Project*

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## Document 8

### **JOINT STATEMENT BY PRESIDENT ROOSEVELT AND PRIME MINISTER CHURCHILL**

ATLANTIC CHARTER, APRIL 13, 1941

(EXTRACT)

Joint declaration of the President of the United States of America and Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem to right to make known certain common principles in the national policies of their

respective countries on which they base their hopes for a better future for the world.

First, their countries seek no aggrandizement, territorial or other;

Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self government restored to those who have been forcibly deprived of them.

Franklin D. Roosevelt

Winston S. Churchill

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#### Document 9

### **DECLARATION OF THE SOVIET GOVERNMENT AT AN INTER-UNION CONFERENCE IN LONDON ON SEPTEMBER 24, 1941**

... The Soviet Union has always followed and intends to follow the principles of respecting the sovereign rights of nations. In its foreign policy, the Soviet Union was and is guided by the principle of the right of nations to self-determination. In its entire nationality policy, which forms the basis of the state structure of the Soviet Union, the Soviet Union is guided by that principle, the basis of which is formed by the recognition of the sovereignty and equal rights of all nations. According to this principle, the Soviet Union defends the right of every people to state independence and territorial inviolability of its country, the right to establish a state structure and to choose a form of government that is considers necessary in order to ensure the economic and cultural prosperity of the whole country.

Being guided by these principles in all its policy and in all its relations with other nations, the Soviet Union has always been consistently and decisively against all the violations of the sovereign rights of the peoples, against aggression and aggressors, against all and all kinds of attempts of aggressive countries to impose their will on other peoples and to lead them to war, the Soviet Union was and is tirelessly and decisively arguing the necessity to act collectively against the aggressors for peace and security of the peoples as an effective means of ensuring

the victory of these principles.

Striving for a radical resolution of the problem of protecting freedom-loving peoples from all the dangers presented by the aggressors, the Soviet Union has at the same time launched a struggle for total and complete disarmament. Being ready to respond to any blow by an aggressor, the Soviet Union has at the same time always based and will base its foreign policy on the idea of striving towards peaceful and good-neighborly relations with all countries that respect the integrity and inviolability of its borders. It has always been ready to support wholly the peoples who have fallen victim to aggression and who are fighting for the independence of their motherland.

According to the policy consistently lead by the Soviet Union, which is based on the principles mentioned above and which is expressed in numerous acts and documents, the Soviet government expresses its agreement with the main principles of the declaration of the President of the United States Mr. Roosevelt and the Prime Minister of Great Britain Mr. Churchill, with the principles which are so important in the current international situation.

*Translated by the Strengthening Democratic Institutions Project*

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Document 10

**MEETING COMMUNIQUE  
(CAIRO DECLARATION)**

DECEMBER 3, 1943

(EXTRACT)

The representatives of the USA, China and Great Britain together with their corresponding military and diplomatic advisors have completed a conference in North Africa. The following joint statement has been published:

. . . The three great allies are conducting this war in order to halt and punish Japan's aggression. They do not seek any conquests for themselves and do not have any intentions of territorial expansion. Their goal is to deprive Japan of all the islands in the Pacific Ocean that it

has seized and occupied since the beginning of the First World War in 1914 . . . Japan shall also be driven from other territories which it seized by force and as a result of its greed.

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Document 11

**MINUTES OF A MEETING OF THE PACIFIC WAR COUNCIL**

WASHINGTON, JANUARY 12, 1944

(EXTRACT)

. . . President Roosevelt informed the Council that his discussions with Generalissimo Chiang Kai-shek and with Marshal Stalin were highly satisfactory—in that both had agreed that Japan should be stripped of her island possessions. . .

. . . He (Stalin) wishes all of Sakhalin to be returned to Russia and to have the Kuril Islands turned over to Russia in order that they may exercise control of the straits leading to Siberia.

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December 12

**THE AMBASSADOR IN THE SOVIET UNION (HARRIMAN) TO THE PRESIDENT**

MOSCOW, DECEMBER 15, 1944

(EXTRACT)

**Top Secret**

In my talk with Stalin last night I said that you were anxious to know what political questions he had indicated in October should be clarified in connection with Russia's entry in the war against Japan. He went into the next room and brought out a map. He said that the Kuril Islands and lower Sakhalin should be returned to Russia . . .

DOCUMENT 13

**BOHLEN MINUTES OF THE ROOSEVELT-STALIN MEETING**

FEBRUARY 8, 1945 AT LIVADIA PALACE

(EXTRACT)

Top Secret

Far East: Russian Desires

. . . Marshall Stalin said that he would like to discuss the political conditions under which the USSR would enter the war against Japan. He said he had already had a conversation on this subject with Ambassador Harriman.

The President said he had received a report of this conversation, and he felt that there would be no difficulty whatsoever in regard to the southern half of Sakhalin and the Kuril Islands going to Russia at the end of the war . . .

. . . Marshall Stalin said that it is clear that if these conditions are not met it would be difficult for him and Molotov to explain to the Soviet people why Russia was entering the war against Japan. They understood clearly the war against Germany which had threatened the very existence of the Soviet Union, but they would not understand why Russia would enter a war against a country with which they had no great trouble. He said, however, if these political conditions were met, the people would understand the national interest involved and it would be very much easier to explain the decision of the Supreme Soviet.

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Document 14

**AGREEMENT REGARDING ENTRY OF THE SOVIET UNION  
INTO THE WAR AGAINST JAPAN**

FEBRUARY 11, 1945

(EXTRACT)

Top Secret

The leaders of the three Great Powers—the Soviet Union, the United States of America and Great Britain—have agreed that two or three months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the

side of the Allies on condition that:

1. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz:
  - A. *the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union*
2. The Kuril islands shall be handed over to the Soviet Union.

Signed by:

J. Stalin

Franklin D. Roosevelt

Winston S. Churchill

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#### Document 15

### **ANNOUNCEMENT BY THE SOVIET GOVERNMENT**

APRIL 5, 1945

The Neutrality Pact between the Soviet Union and Japan was signed on April 13, 1941, that is before the German attack of the USSR and before the war between Japan on the one hand, and England and the United States of America on the other hand.

The situation has drastically changed since. Germany attacked the USSR, and Japan, an ally of Germany, helps the latter in its war against the USSR. Moreover, Japan is at war with the USA and England, who are allies of the USSR.

Under these circumstances, the Neutrality Pact between Japan and the USSR has lost its meaning, and the extension of the Pact has become impossible.

As a result of everything mentioned above and according to Article 3 of the noted Pact, that provides for the right of denunciation one year before the end of the five-year period of the validity of the Pact, the Soviet government hereby announces to the government of Japan its desire to denounce the Pact of April 13, 1941.

Document 16

**POSTDAM PROCLAMATION BY CHINA, THE UNITED STATES AND THE  
UNITED KINGDOM**

JULY 26, 1945

(EXTRACT)

1. The terms of the Cairo Declaration will be fulfilled and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.

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Document 17

**ANNOUNCEMENT BY THE SOVIET GOVERNMENT**

AUGUST 8, 1945

After the defeat and capitulation of Hitler's Germany, Japan remains the only great power still in favor of continuing the war.

The demand of the three powers—the United States of America, Great Britain and China—of July 26 of this year, requiring an unconditional capitulation of the Japanese military forces, has been rejected by Japan. Thus the suggestion of the Japanese government to the Soviet Union to mediate in the war in the Far East loses all grounds.

Considering Japan's refusal to capitulate, the Allied forces approached the Soviet Government with a proposition to join in the war against Japanese aggression and in doing so to bring the end to the war closer, decrease the number of victims and promote the soonest possible reestablishment of peace.

Being true to its duty as an ally, the Soviet Government decided to accept the proposition of the Allies and joined the declaration of the Allied Powers of July 26 of this year.

The Soviet Government thinks that such a policy would be the only means to advance peace, free people from further casualties and suffering and give the Japanese people an opportunity to avoid the dangers and destruction which Germany had to endure after its refusal to unconditionally capitulate.

As a result of everything mentioned above, the Soviet government declares that as tomorrow, that is August 9, the Soviet Union considers itself to be at war with Japan.

*Translated by the Strengthening Democratic Institutions Project*

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#### Document 18

### **ANNOUNCEMENT OF THE JAPANESE GOVERNMENT**

AUGUST 14, 1945

On the question of the diplomatic note of the Japanese Government of August 10 with regard to the acceptance of the conditions of the Potsdam Declaration and the answer of the Governments of the United States, Great Britain, the Soviet Union and China, sent by the American Secretary of State Burns, and dated August 11, the Japanese government considers it an honor to inform the Governments of the four powers of the following:

1. His Majesty the Emperor issued an imperial rescript on the Japanese acceptance of the conditions of the Potsdam Declaration.
2. His Majesty the Emperor is ready to sanction and to ensure that his Government and the Imperial General Staff sign the necessary conditions for implementing the clauses of the Potsdam Declaration. His Majesty is also prepared to order all the army, naval and air forces, no matter where they are located, to cease all military activities and give up their arms, as well as to issue other orders, which the Supreme Commander of the Allied Forces may demand in order to achieve the goals mentioned above.

*Translated by the Strengthening Democratic Institutions Project*



Document 19

**EXCHANGE OF MESSAGES BETWEEN THE SUPREME COMMANDER  
FOR THE ALLIED POWERS  
AND JAPANESE GENERAL HEADQUARTERS  
(EXTRACT)**

The following messages were sent to the Japanese Emperor, the Japanese Imperial Government, and the Japanese General Headquarters by the Supreme Commander for the Allied Powers:

*August 15, 9:30 a.m.*

I have been designated as the Supreme Commander for the Allied Powers, the United States, the Republic of China, the United Kingdom, and the Union of Soviet Socialist Republics, and empowered to arrange directly with the Japanese authorities for the cessation of hostilities at the earliest practicable date . . .

MacArthur

The Headquarters of General MacArthur received the following messages from the Japanese Government and Japanese General Headquarters:

*[Received August 16]*

1. His Majesty, the Emperor, issued an imperial order at 1600 on August 16 to the entire armed forces to cease hostilities immediately.

*[Received August 17, 1:40 a.m.]*

While on our side the Imperial order has already been given to cease hostilities, the Soviet forces are still positively carrying on the offensive, and their spearhead is reaching near a point west of (Mukden) early this morning. As a result, the Japanese forces in Manchukuo are meeting great difficulties in carrying out the Imperial order. It is urgently requested that the Supreme Commander would take proper steps to bring about immediate cessation of the Soviet offensive.

## Document 20

**MEMORANDUM BY THE JOINT CHIEFS OF STAFF  
FOR THE STATE-WAR-NAVY COORDINATING COMMITTEE**

SUBJECT: INSTRUMENTS FOR THE SURRENDER OF JAPAN

AUGUST 14, 1945

(EXTRACT)

On the matter of the Kurils, the United States' and Russian Chiefs of Staff have agreed to a boundary line between areas of operations which passes through Onkotan Strait. On the basis of the situation as it appears at present, the Joint Chiefs of Staff propose to instruct Admiral Nimitz to plan on receiving the surrender of the Kuril Islands south of this line. They propose at an appropriate time to inform the Russians of this procedure and that unless the Russians request assistance, the Joint Chiefs of Staff expect the Soviets to receive the surrender and disarm the Japanese in the islands of Paramushir and Shumshu.

For the Joint Chiefs of Staff:

A.J. McFarland

Brigadier General, USA

Secretary

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## Document 21

**GENERAL ORDER NUMBER 1**

AUGUST 14, 1945

MILITARY AND NAVAL

(EXTRACT)

b. The senior Japanese commanders and all ground, sea, air, and auxiliary forces within Manchuria, Korea north of 38 degrees north latitude and Karafuto shall surrender to the Commander in Chief of Soviet Forces in the Far East.

Document 22

**CLARIFICATION OF THE CENTRAL COMMAND OF THE RED ARMY  
ON THE SURRENDER OF JAPAN**

AUGUST 14, 1945

(EXTRACT)

In light of the incoming inquiries about the surrender of Japan, the Head of the Central Command of the Red Army, General of the Army Antonov, clarifies:

1. The statement of Japan's surrender made by the Japanese Emperor on August 14 is only a general declaration about unconditional surrender.

The order to cease military actions still has not been given to the armed forces and Japanese armed forces continue their resistance.

Consequently, there still has not been an actual surrender by the armed forces of Japan.

. . .

3. In light of the aforementioned, the armed forces of the Soviet Union in the Far East will continue their offensive operations against Japan.

*Translated by the Strengthening Democratic Institutions Project*

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Document 23

**THE CHAIRMAN OF THE COUNCIL OF PEOPLE'S COMMISSARS OF THE  
SOVIET UNION (STALIN) TO PRESIDENT TRUMAN**

AUGUST 16, 1945

(EXTRACT)

I have received your message with the "General Order No. 1" Principally I have no objection to the contents of the order keeping in view that the Liaotung Peninsula is a composite part of Manchuria. However, I suggest to introduce the following corrections in the "General Order No. 1":

1. To include in the region of surrender of Japanese armed forces to Soviet troops all the Kuril Islands which, in accordance with the decisions of the three powers in the Crimea, have to come into possession of the Soviet Union.
2. To include in the region of surrender of the Japanese armed forces to Soviet troops, the Northern part of the Island Hokkaido which adjoins in the North to the La Perouse Strait which is between Karafuto and Hokkaido.

This latter proposal has a special meaning for Russian public opinion. As it is known, the Japanese in 1919-1921 held under occupation of their troops the whole Soviet Far East. Russian public opinion would be seriously offended if the Russian troops would not have an occupation region in some part of the Japanese proper territory.

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#### Document 24

### **PRESIDENT TRUMAN TO THE CHAIRMAN OF THE COUNCIL OF PEOPLE'S COMMISSARS OF THE SOVIET UNION (STALIN)**

AUGUST 17, 1945

(EXTRACT)

Replying to your message of August 16, I agree to your request to modify General Order No.1 to include all the Kuril Islands to the Forces in the Far East. However, I should like it to be understood that the United States Government desires air base rights for land and sea aircraft on some one of the Kuril Islands preferably in the central group, for military purposes and for commercial use. . .

Regarding your suggestion as to the surrender of Japanese forces on the Island Hokkaido to Soviet forces, it is my intention and arrangements have been made for the surrender of Japanese forces on all the islands of Japan proper, Hokkaido, Honshu, Shikoku and Kyushu, to General MacArthur.

General MacArthur will employ Allied token forces, which, of course, includes Soviet forces, in so much of a temporary occupation of Japan proper as he considers it necessary to occupy in order to accomplish our Allied surrender terms.

Document 25

**THE CHAIRMAN OF THE COUNCIL OF PEOPLE'S COMMISSARS OF THE  
SOVIET UNION (STALIN) TO PRESIDENT TRUMAN**

(AUGUST 22, 1945)

(EXTRACT)

I have received your message of August 18[17].

1. I have understand the contents of your message in the sense that you refuse to satisfy the request of the Soviet Union for the inclusion of the Northern part of the Island Hokkaido in the region of surrender of the Japanese armed forces to the Soviet troops. I have to say that I and my colleagues did not expect such an answer from you.
2. As regards your demand for a permanent aviation base on one of the Kuril Islands which, in accordance with the Crimea decision of the three powers, have to come into possession of the soviet Union, I consider it my duty to tell you in this respect the following:
3. First, I have to remind you that such measure was not provided for by the decision of the three powers neither in the Crimea, nor in Berlin, and in no way does it ensue from the adopted three resolutions. Second, demands of such a nature are usually laid before either a conquered state, or such allied state which is in no position to defend with its own means certain parts of its territory and, in view of this, expresses readiness to grant its Ally an appropriate base. I do not believe that the Soviet Union could be included among such states . . .

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Document 26

**THE SECRETARY OF STATE TO PRESIDENT TRUMAN**

SUGGESTED MESSAGE FROM PRESIDENT TRUMAN

TO GENERALISSIMO STALIN

AUGUST 25, 1945

(EXTRACT)

In response to your message of August 22<sup>nd</sup> . . . I was not speaking about any territory of the Soviet Republic. I was speaking of the Kuril Islands, Japanese territory, disposition of which

must be made at a Peace settlement. I was advised that my predecessor agreed to support in the peace settlement the Soviet acquisition of those Islands . . .

*Editors' Note:* This message was sent as drafted on August 27. In Stalin's reply of August 30, 1945, he made no comment about Truman's assertion that the disposition of the Kuril Islands must be determined at a Peace Conference.

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Document 27

**ADDRESS TO THE SOVIET PEOPLE**

JOSEPH STALIN

SEPTEMBER 2, 1945 (ON RADIO)

(EXTRACT)

. . . The defeat of Russian troops in 1904 in the period of the Russo-Japanese War left grave memories in the minds of our peoples. It was as a dark stain on our country. Our people trusted and awaited the day when Japan would be routed and the stain wiped out.

For forty years, we, men of the older generation, have waited for this generation, waited for this day. And now this day has come. Today, Japan has acknowledged her defeat and signed the act of unconditional surrender. This means that southern Sakhalin and the Kuril Islands will pass to the Soviet Union, and from now on will not serve as a means for isolating the Soviet Union from the ocean and as a base for Japanese attacks on our Far East.

They will now serve instead as a means of direct communication of the Soviet Union with the ocean and as a base for the defense of our country against Japanese aggression.

Document 28

**THE LANDING OF SOVIET FORCES  
ON HOKKAIDO AND SOUTHERN KURILS**

Boris Slavinsky,  
Problems of the Far East  
Izvestia, May 12, 1992

**Myth and Reality**

There have recently been publications in the Japanese and Russian press, that in August 1945, the Soviet Union was close to an occupation of part of Hokkaido, and that only the “fierce resistance of the Japanese” on the Kurils stopped Stalin from implementing this plan. The discussion of the problem of the “Northern territories” with Japan continues. And many opponents on our side say: “How can we return Kunashir, Iturup, Shikotan and Habomai to Japan, when the blood of Soviet soldiers was shed in battles for these islands. . .”

Boris Slavinsky, deputy Editor-in-Chief of the Problems of the Far East Magazine, recreates the reality of those August events, according to materials he found in the Central Navy-Military Archive.

**Stalin and Truman**

Let me remind my readers that on August 14, 1945, the Japanese government announced its unconditional capitulation. In connection with this, Washington quickly issued General Order 1 to General MacArthur, the Commander-in-Chief of the allied forces, on the details of the capitulation of Japanese troops. On August 15, this document was sent to Moscow for approval. Stalin, having generally approved the document, suggested incorporating the following changes: first of all, to include all the Kuril islands, which according to Yalta agreement were to be transferred to the USSR, in the territories the Japanese military was to give up. Secondly, to include the Northern half of Hokkaido in the territories the Japanese were to relinquish.

The second proposition, Stalin wrote, would have great meaning for Russian public opinion. “As we all know, he wrote, in 1919-1921 the Japanese occupied the entire Soviet Far East. Russian public opinion would be seriously hurt, if Russian troops did not occupy any part of the territories of Japan proper.”

In his response (which was received in Moscow on August 18), Truman agreed to the proposition on the Kurils. As to the island of Hokkaido, the American President rejected Stalin’s proposal, saying that “all Japanese military forces are already capitulating to General MacArthur

all over the islands of Japan proper: Hokkaido, Honshu, Shikoku and Kyushu.” The President’s response on Hokkaido shocked the Kremlin government. On August 22, Stalin disappointedly wrote to Truman: “My colleagues and I never expected such a response from you.”

In the meantime, the Soviet command, unaware of Washington’s position on the Kurils and Hokkaido, energetically started to implement its plans. On the night of August 15, marshal Vasilevsky, Commander-in-Chief of the Soviet troops in the Far East, ordered general Purkayev, Commander of the Second Far Eastern Front, and admiral Yumashev, to prepare and carry out the Kurils landing forces operation, aimed at occupying the Northern part of the Kurils. Dawn of August 15 was the start of severe and bloody battles on the island of Shumshu closest to the Kamchatka Peninsula.

### The occupation of Hokkaido is canceled

That same day, as we remember, Moscow learned of Washington’s consent to the Soviet occupation of all the Kurils. But in spite of the US negative reaction, the General Headquarters were carefully planning the landing forces operation on Hokkaido. At 4 a.m. on August 19, Marshal Vasilevsky sent the commanders of the fronts and the navy the following cipher: “According to the goals of the Soviet troops in the far East, I order the first Far Eastern Front to occupy half of Hokkaido, north of the line between Kusiro and Rumoi and the Southern Kuril islands, including the island of Simusir-To (one of the smaller islands of the Habomai) during the period from August 19 to September 1. In order to achieve this goal, the Pacific Navy should transfer the 87<sup>th</sup> division of the snipers’ corps to the islands. Within the same time-frame, redeploy one destroyer air division and one bomber air division of the 9<sup>th</sup> Air Army to Hokkaido and the Kurils.”

In order to secure the landing of forces on Hokkaido, the General Headquarters ordered the commander of the First Far Eastern Front to “prepare the three divisions of the 87<sup>th</sup> sniper’s corps and make a landing of two divisions on Hokkaido and one—one the Southern Kurils.” The idea of the command was to use Sakhalin as a base for launching the planned landing operations. In order to achieve this, it was necessary to free its southern part from Japanese troops as soon as possible, and to concentrate landing forces and military equipment in the ports of Maoka (now Kholmsk) and Odomari (now Korasakov).

On August 21, Vasilevsky sent the troops a detailed plan of the forthcoming operation. Specifically, it said: “Start the loading of the 87<sup>th</sup> corps and equipment immediately, no later than the morning of the 21<sup>st</sup>. in a minimal time concentrate them in the southern part of Sakhalin



near the port of Otomari (Korsakov) and the city of Toyohara out of Southern Sakhalin).” And further: “Continue operations aimed at clearing the enemy out of Southern Sakhalin, so that the port of Otomari and the region of Toiohara are occupied by the morning of August 22.”

It is interesting that Moscow already knew about the American refusal to agree to the occupation of Hokkaido. Nevertheless the General Headquarters kept transferring troops for landing, concentrating them on Sakhalin. It seems that the Kremlin was carefully thinking through its actions under the circumstances. This is probably why Vasilevsky emphasized in the August 21 order: “The time to begin the landing of our forces in the Northern part of Hokkaido and the Southern Kurils will be specified by the General Headquarters.”

On August 22 at 5 p.m. The General Headquarters sent cipher 677 to admirals Kuznetsov and Yumashev:

1. It is necessary to refrain from landing our forces from Sakhalin on Hokkaido until further orders. Continue the transfer of the 87<sup>th</sup> corps to Sakhalin.
2. Since the Japanese announced their readiness to capitulate on the Kurils, please consider the possibility of transferring the head division of the 87<sup>th</sup> corps from Sakhalin to the Southern Kurils (Kunashir and Iturup), avoiding Hokkaido. Please inform of your thoughts no later than the morning of August 23.

One can somewhat understand the motives and the position of the General Headquarters reading the telegram from the Head of Staff of the First Far Eastern Front to the Commander of the Pacific Navy: “In order to avoid conflicts and misunderstandings with our allies, the General Headquarters is ordered to absolutely prohibit the dispatch of any ships or planes in the direction of Hokkaido.

### Landing on the Southern Kurils

When it became clear that the landing operation on Hokkaido had been canceled, the command concentrated on the occupation of the Southern Kurils. The situation was favorable. The Japanese were giving up weapons and ammunition and surrendering all over Southern Sakhalin and Northern Kurils. The troops of the Kamchatka defense region, under the command of general Gnechko, had already occupied the strongest lowing orders to occupy the rest of the Northern and Central Kurils, including Urup. On August 31, general Gnechko informed the Commander of the Second Far Eastern Front that the task had been fulfilled.

Now it was time to implement the last operation of the war with Japan—The occupation of the Southern Kurils. So as soon as the Soviet troops occupied the navy base of Odomari (Korsakov) on August 25 and Southern Sakhalin was freed, the Commander of the Northern Pacific flotilla, on the morning of August 26, sent a telegram to Captain of the 1<sup>st</sup> rank Leonov, who was appointed Commander of the landing forces operation aimed at occupying the Southern Kurils. The telegram ordered him to start the operation, and use 1 mine-sweeper of the “VMS” type and one company for every island.

On the night of August 28, the mine-sweepers approached Iturup under heavy fog and made a landing. The Japanese garrison of 13,500 soldiers showed no resistance and surrendered. But since two companies of Soviet soldiers on Iturup were faced by such a big group of the enemy, the acceptance of their capitulation required time and certain effort. That is why Lieutenant-Captain Brunstein, Commander of the landing forces, failed to organize the landing on Kunashir immediately, as the Command had planned. This became possible only on September 1, after additional military troops had arrived from Sakhalin. That same day the detachment led by Captain of the 3<sup>rd</sup> rank Vostrikov, landed on Shikotan. Japanese officers-envoys informed them that a garrison of 4,800 soldiers was located on the island and that it was ready to surrender.

### The last move

After the landing of our troops on Iturup, Kunashir and Shikotan, the General Headquarters took the decision to occupy Habomi (a few tiny islands of the lesser Kurils south of Shikotan). We should mention that there is no description of this operation anywhere in Soviet literature, since it took place after the official signing of the unconditional Capitulation Act—on September 3-5. That is why in all our publications, including “The History of WWII” and the Military Encyclopedia, it is only briefly mentioned, that the occupation of the Kurils was completed by September 1.

Let's go into more detail on this last operation.

On the morning of September 2, the Commander of the Northern Pacific flotilla sent telegram 7071 to Captain of the 1<sup>st</sup> rank Leonov, ordering him to prepare for the occupation of Habomai and appointing Captain of the 3<sup>rd</sup> Chicherin responsible for the operation and ordering him to prepare a plan by September 3.

Thinking that he was carrying out the order, Chicherin, having organized two landing

groups—with one mine-sweeper and one landing ship each—led his detachment out to sea on the morning of September 3 and set off in the direction of the extreme southern islands of the Kurils. The detachment arrived near Habomi the following dawn and started the landing immediately. The small Japanese garrisons guarding the islands and started the landing immediately. The small Japanese garrisons guarding the islands surrendered without resistance. The operation was completed by the evening of September 5. The POW's and their ammunition were sent to Kunashir.

And although Chicherin, according to witnesses, misunderstood the order because of bad radio connections, his actions were approved by the Commander of the Northern Pacific Flotilla, as well as by the Pacific Navy Staff.

Thus, it is absolutely clear from archive materials, that the occupation of the Southern Kurils took place between August 28-September 5, 1945, i.e. after Japan's official capitulation. It is also clear that there was no resistance on the part of the Japanese, and that there were no casualties either on the Japanese or on the Soviet side.

I would like to note in conclusion that the clarification of the disputed questions of our history, including the problem of Southern Kurils, or the "Northern territories," as the Japanese call them, which has been falsified for decades, will undoubtedly increase the level of trust in Russo-Japanese relations. This is very important in connection with President Yeltsin's visit to Japan, planned for this fall—a visit, the result of which, as the Russians and Japanese hope, will be a substantial improvement in relations between the two countries.

Document 29

**GENERAL HEADQUARTERS**  
**SUPREME COMMANDER FOR THE ALLIED POWERS**  
**APO 500**  
JANUARY 29, 1946  
SCAPIN 677  
(EXTRACT)

Memorandum for: Imperial Japanese Government

Subject: Governmental and Administrative Separation of Certain Outlying Areas from Japan.

1. The Imperial Japanese Government is directed to cease exercising, or attempting to exercise, governmental or administrative authority over any area outside of Japan, or over any government officials and employees or any other persons within such areas.
3. For the purpose of this directive, Japan is defined to include the four main islands of Japan (Hokkaido, Honshu, Kyushu and Shikoku) and the approximately 1,000 smaller adjacent islands, including the Tsushima Islands and the Ryukyu (Nansei) Islands north of 30 degrees North Latitude (excluding Kuchinoshima Islands); and excluding (a) Utsuryo (Ullung) Island, Liancourt Rocks (Take Island) and Quelpart (Saishu of Cheju) Island, (b) the Ryukyu (Nansei) Islands south of 30 degrees North Latitude (including Kuchinoshima Island), the Izu, Nanpo, Bonin (Ogasawara) and Volcano (Kazan or Iwo) Island Groups, and all other outlying Pacific Islands [including the Daito (Ohigashi or Oagari) Island Group, and Parece Vela (Okinotori), Marcus (Minami-tori) and Ganges (Nakano-tori) Island Group (including Suisho, Yuri Akiyuri, Shibotsu and Taraku Islands) and Shikotan Island.
6. Nothing in this directive shall be construed as an indication of Allied policy relating to the ultimate determination of the minor islands referred to in Article 8 of the Potsdam Declaration.

Document 30

**DECREE OF THE PRESIDIUM OF THE USSR SUPREME SOVIET**

**The Creation of the South Sakhalin Province (Oblast) in  
The RSFSR Khabarovsk Region (Krai)**

Create on the territory of South Sakhalin and the Kuril islands in the South Sakhalin province (oblast) with its center in the city of Toiohara and include it in the RSFSR Khabarovsk region (krai).

Chairman of the Presidium M. Kalinin  
of the USSR Supreme Soviet

Secretary of the Presidium A. Gorkin  
of the USSR Supreme Soviet

Moscow, the Kremlin, February 2, 1946

*Translated by the Strengthening Democratic Institutions Project*

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Document 31

**MEMORANDUM BY THE CONSULTANT TO THE SECRETARY (DULLES) TO THE  
ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS (THORP)**

AUGUST 9, 1950

(EXTRACT)

Secret

On the theory that circumstances may make it desirable to act expeditiously to bring about peace with Japan on the basis of a simple Treaty, Mr. Allison and I have drawn up the annexed as a possible alternative to the long form previously circulated, and on which we should appreciate your comments.

John Foster Dulles

[Attachment]

*Draft #2*  
Chapter IV  
Territory

5. Japan accepts whatever decision may hereafter be agreed upon by the United States, the United Kingdom, the Soviet Union, and China with reference to the future status of Formosa, the Pescadores, Sakhalin south of 50 degrees north latitude and the Kuril Islands.

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DOCUMENT 32  
**MEMORANDUM OF CONVERSATION BY COLONEL STATION BABCOCK OF  
THE DEPARTMENT OF DEFENSE**

OCTOBER 26-27, 1950

(EXTRACT)

Secret

Subject: The Japanese Peace Treaty

Participants:

Mr. Malik, USSR Representative on Security Council  
Mr. Troyanovski, USSR translator  
Mr. Dulles  
Mr. Allison  
Colonel Babcock

1. Mr. Dulles then pointed out that it could be assumed that if the USSR were a party to the treaty, Japan would, by the treaty, cede South Sakhalin and the Kurils to the Soviet Union.

Document 33

**THE BRITISH EMBASSY TO THE DEPARTMENT OF STATE**

AIDE-MEMOIRE

MARCH 12, 1951

(EXTRACT)

(iii) As provided in the Livadia Agreement signed on the 11<sup>th</sup> February, 1945, South Sakhalin and the Kuril Islands should be ceded South Sakhalin and the Kurils to the Soviet Union.

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Document 34

**THE DEPARTMENT OF STATE TO THE BRITISH EMBASSY**

AIDE-MEMOIRE

MARCH 13, 1951

(EXTRACT)

Secret

With respect to the carrying out of the Yalta Agreement the United States agrees that Japan should be prepared to cede South Sakhalin and the Kurils to the Union of Soviet Socialist Republics, provided it becomes a party to the peace treaty, but believes that the precise definition of the extent of the Kuril Islands should be a matter for bilateral agreement between the Japanese and Soviet Government or for judicial determination by the International Court of Justice.

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Document 35

**JOINT UNITED STATES-UNITED KINGDOM DRAFT PEACE TREATY**

WASHINGTON, [MAY 3,] 1951

UK AND US CONTRIBUTIONS

(EXTRACT)

Secret

Japan cedes to the Union of Soviet Socialist Republics the Kuril Islands, and that portion

of South Sakhalin and the islands adjacent to it over which Japan formerly exercised sovereignty.

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Document 36

**THE AMBASSADOR TO THE UNITED KINGDOM (GIFFORD) TO THE  
SECRETARY OF STATE**

LONDON, JUNE 5, 1951-8 P.M.

(EXTRACT)

Secret

. . . At end of discussion the Brit[ish] del[egation] apparently was inclined to accept U.S. contention that the treaty should merely require Jap[anese] renunciation of sovereignty over Formosa, leaving future status to be decided later. This was made easier for UK by earlier US suggestion that Sakhalin and Kurils be similarly ceded to USSR by treaty.

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DOCUMENT 37

**REVISED UNITED STATES-UNITED KINGDOM DRAFT OF A JAPANESE  
PEACE TREATY**

JUNE 14, 1951

(EXTRACT)

Secret

- C. Japan renounces all right, title and claim to the Kuril Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan acquired sovereignty as a consequence of the Treaty of Portsmouth of September 5, 1905.

*Editors' Note:* The "revised" treaty above differs from the previous draft which was discussed by the Ambassador to Britain in Document 36. The treaty no longer stipulates that the USSR should be the beneficiary of the Japanese renunciation of the Kuril Islands. This evolution is not mentioned in the State Department documents, and the minutes from the meetings between the United States' and the United Kingdoms' delegations regarding this latest draft are not printed. Thus, there is no clear explanation for the change. However, in the *State*



*Department Bulletin*, messages between the United States and the Soviet Union are published and demonstrate that the USSR had expressed several reservations about the process for drafting the treaty and regarding the wording itself. In light of this, it would seem that the United States decided not to sanction the official transfer of the islands to the Soviet Union when it became apparent that the Soviet Government did not intend to sign the peace treaty.

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Document 38

EXCERPTS FROM

**THE YOSHIDA MEMOIRS**

**“THE TERRITORIAL QUESTION”**

(EXTRACT)

. . . we requested him to make clear in the treaty that the Southern Kurils, which had always been a part of our possessions, were not included in the Kurils which were to be handed over. Mr. Dulles appreciated our point, but indicated that if this were done it would involve going afresh into the wording of the document with the other countries concerned, which would delay the peace conference and so the signing of the treaty. He therefore asked us to waive the point, suggesting instead that we express our own view on the matter in our speech accepting the terms of the treaty, which we did . . .

. . . The evening session began with my speech, and in the course of my remarks, I laid particular stress on the territorial question, rebutting the Soviet delegate's statement that the Kurils and Southern Sakhalin had been wrested from Russia by force, and showing that Japanese sovereignty over the Southern Kurils was a fact accepted even by Imperial Russia, while the Habomai and Shikotan Islands that formed an integral part of Hokkaido, Japan's northern-most home island, were still under the occupation of Soviet forces in violation of international law. Needless to add, my emphasis on these points was intended to serve for future reference . . .

## Document 39

**SECOND PLENARY SESSION**

OPERA HOUSE, 3 P.M. SEPTEMBER 5, 1951

**VERBATIM MINUTES OF THE SAN FRANCISCO PEACE CONFERENCE**

SPEECH BY THE DELEGATE OF THE UNITED STATES

JOHN FOSTER DULLES

Chapter I ends the state of war, with consequent recognition of the full sovereignty of the Japanese people. Let us note that the sovereignty recognized is the “sovereignty of the Japanese people.”

What is the territory of Japanese sovereignty? Chapter II deals with that. Japan formally ratifies the territorial provisions of the Potsdam Surrender Terms, provisions which, so far as Japan is concerned, were actually carried into effect six years ago.

The Potsdam Surrender Terms constitute the only definition of peace terms to which, and by which, Japan and the Allied Powers as a whole are bound. There have been some private understanding between some Allied Governments; but by these Japan was not bound, nor were other Allies bound. Therefore, the treaty embodies article eight of the Surrender Terms which provided that Japanese sovereignty should be limited to Honshu, Hokkaido, Kyushu, Shikoku and some minor islands. The renunciations contained in article 2 of chapter II strictly and scrupulously conform to that surrender term.

Some questions has been raised as to whether the geographical name “Kuril Islands” mentioned in article 2 (c) includes the Habomai Islands. It is the view of the United States that it does not. If, however, there were a dispute about this, it could be referred to the International Court of Justice under article 22.

Document 40

**SECOND PLENARY SESSION**

OPERA HOUSE, 3 P.M. SEPTEMBER 5 1951

**VERBATIM OF THE SAN FRANCISCO PEACE CONFERENCE**

SPEECH BY THE DELEGATE OF THE USSR

DEPUTY MINISTER OF FOREIGN AFFAIRS

A.A. GROMYKO

. . . The peace treaty with Japan should, naturally, resolve a number of territorial questions connected with the peace settlement with Japan. It is known that in this respect as well as the United States, Great Britain, China and the Soviet Union undertook specific obligations. These obligations are outlined in the Cairo Declaration, in the Potsdam Declaration, and in the Yalta Agreement.

These agreements recognize the absolutely indisputable rights of China, now the Chinese People's Republic, to territories severed from it. It is an indisputable fact that original Chinese territories which were severed from it, such as Taiwan (Formosa), the Pescadores, the Paracel Islands and other Chinese territories, should be returned to the Chinese People's Republic.

The rights of the Soviet Union to the southern part of the Sakhalin Island and all the islands adjacent to it, as well as to the Kuril Islands, which are at present under the sovereignty of the Soviet Union, are equally indisputable.

Thus, while resolving the territorial questions in connection with the preparation of a peace treaty with Japan, there should not be any lack of clarity if we are proceed from the indisputable rights of states to territories which Japan got hold of by the force of arms.

. . . As regards the American-British draft peace treaty with Japan in the part pertaining to territorial questions, the Delegation of the USSR considers it necessary to state that this draft grossly violates the indisputable rights of China to the return of integral parts of Chinese territory. Taiwan, the Pescadores, the Paracel and other islands severed from it by the Japanese militarists. The draft contains only a reference to the renunciation by Japan of its rights to these territories but intentionally omits any mention of the further fate of these territories. In reality, however, Taiwan and the said islands have been captured by the United States of America and the United States wants to legalize these aggressive actions in the draft peace treaty under discussion. Meanwhile the fate of these territories should be absolutely clear—they must be returned to the Chinese people, the master of their land.

Similarly, by attempting to violate grossly the sovereign rights of the Soviet Union regarding Southern Sakhalin and the islands adjacent to it, as well as the Kuril Islands already under the sovereignty of the Soviet Union, the draft also confines itself to a mere mention of the renunciation by Japan of rights, title and claims to these territories and make no mention of the historic appurtenance of these territories and the indisputable obligation on the part of Japan to recognize the sovereignty of the Soviet Union over these parts of the territory of the USSR. We do not speak of the fact that by introducing such proposals on territorial questions the United States and Great Britain, who at an appropriate time signed the Cairo and Potsdam Declarations, as well as the Yalta Agreement, have taken the path of flagrant violation of obligations undertaken by them under these international agreements.

. . . To sum up, the following conclusions regarding the American-British draft peace treaty can be drawn:

1. The draft does not contain any guarantees against the reestablishment of Japanese militarism, the transformation of Japan into an aggressive state. The draft does not contain any guarantees ensuring the security of countries which have suffered from aggression on the part of militarist Japan. The draft creates conditions for the reestablishment of Japanese militarism, creates a danger of a new Japanese aggression.
2. The draft treaty actually does not provide for the withdrawal of foreign occupation forces. On the contrary, it ensures the presence of foreign armed forces on the territory of Japan and the maintenance of foreign military bases in Japan even after the signing of a peace treaty. Under the pretext of self-defense of Japan, the draft provides for the participation of Japan in an aggressive military alliance with the United States.
3. The draft treaty not only fails to provide for obligations that Japan should not join any coalitions directed against any of the states which participated in the war against militarist Japan, but on the contrary is clearing the path for Japan's participation in aggressive blocs in the Far East created under the aegis of the United States.
4. The draft treaty does not contain any provisions on the democratization of Japan, on the ensurance of democratic rights to the Japanese people, which creates a direct threat to a rebirth in Japan of the prewar Fascist order.
5. The draft treaty is flagrantly violating the legitimate rights of the Chinese people to the integral part of China—Taiwan (Formosa), the Pescadores and Paracel Islands and other

territories severed from China as a result of Japanese aggression.

6. The draft treaty is in contradiction to the obligations undertaken by the United States and Great Britain under the Yalta Agreement regarding the return of Sakhalin and the transfer of the Kurile Islands to the Soviet Union.
7. The numerous economic clauses are designed to ensure for foreign, in the first place American, monopolies the privileges which they have obtained during the period of occupation, Japanese economy is being placed in a slavery-like dependence from these foreign monopolies.
8. The draft actually ignores the legitimate claims of states that have suffered from Japanese occupation regarding the redemption by Japan for the damage that they have suffered. At the same time, providing for the redemption of losses direct by the labor of the Japanese population it imposes on Japan a slavery-like form of reparations.
9. The American-British draft is not a treaty of peace but a treaty for the preparation of a new war in the Far East.

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Document 41

**EIGHTH PLENARY SESSION**

OPERA HOUSE, 8 P.M., SEPTEMBER 7, 1951

**VERBATIM OF THE SAN FRANCISCO PEACE CONFERENCE**

SPEECH BY THE DELEGATE OF JAPAN—SIGERU YOSHIDA (PRIME MINISTER)  
AND MINISTER OF FOREIGN AFFAIRS  
(EXTRACT)

... With respect to the Kurils and South Sakhalin, I cannot yield to the claim of the Soviet Delegate that Japan had grabbed them by aggression. At the time of the opening of Japan, her ownership of two islands of Etoroff [sic] and Kunashiri of the South Kurils was not questioned at all by the Czarist government. But the North Kurils north of Urruppu [sic] and the southern

half of Sakhalin were areas open to both Japanese and Russian settlers. On May 7, 1875, the Japanese and Russian Governments effected through peaceful negotiations an arrangement under which South Sakhalin was made really, under the name of “exchange” Japan simply ceded South Sakhalin to Russia in order to settle the territorial dispute. It was under the treaty of Portsmouth of 1905 concluded through the intermediary of President Theodore Roosevelt of the United States that South Sakhalin became also Japanese territory.

Both Sakhalin and the North and South Kurils were taken unilaterally by Russia as of September 20, 1945, shortly after Japan’s surrender. Even the islands of Habomai and Shikoton, constituting part of Hokkaido, one of Japan’s four main islands, are still being occupied by Soviet forces simply because they happened to be garrisoned by Japanese troops at the time when the war ended . . .

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#### Document 42

### **TREATY OF PEACE WITH JAPAN**

SIGNED IN SAN FRANCISCO, CALIFORNIA, USA

SEPTEMBER 8, 1951

(EXTRACT)

#### Chapter II

#### Article 2

- a. Japan, recognizing the independence of Korea, renounces all right, title and claim to Korea, including the islands of Quelpart, Port Hamilton and Dagelet.
- b. Japan renounces all right, title and claim to Formosa and the Pescadores.
- c. Japan renounces all right, title and claim to the Kuril Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan acquired sovereignty as a consequence of the Treaty of Portsmouth of September 5, 1905.
- d. Japan renounces all right, title and claim in connection with the League of Nations Mandate System, and accepts the action of the trusteeship system to the Pacific Islands formerly

under mandate to Japan.

- e. Japan renounces all claim to any right or title to or interest in the connection with any part of the Antarctic area, whether deriving from the activities of Japanese nationals or otherwise.
- f. Japan renounces all right, title and claim to the Spratly Islands and to the Paracel Islands.

## Chapter VII

### Article 25

For the purposes of the present Treaty the Allied Powers shall be the States at war with Japan, or any State which previously formed a part of the territory of a State named in Article 23, provided that in each case the State concerned has signed and ratified the Treaty. Subject to the provisions of Article 21, the present Treaty shall not confer any rights, titles or benefits on any State which is not an Allied Power as herein defined; nor shall any right, title or interest of Japan be deemed to be diminished or prejudiced by any provision of the Treaty in favor of a State which is not an Allied Power as so defined.

### Article 26

Japan will be prepared to conclude with any State which signed or adhered to the United Nations Declaration of January 1, 1942, and which is at war with Japan, or with any State which previously formed a part of the territory of a State named in Article 23, which is not a signatory of the present Treaty, a bilateral Treaty of Peace on the same or substantially the same terms as are provided for in the present Treaty, but this obligation on the part of Japan will expire three years after the first coming into force of the present Treaty. Should Japan make a peace settlement or war claims settlement with any State granting that State greater advantages than those provided by the present Treaty, those same advantages shall be extended to the parties to the present Treaty.

## Document 43

**ANSWER BY JAPANESE DEPUTY FOREIGN MINISTER MORISHITA**

ON FEBRUARY 11, 1956

(EXTRACT)

Just to make sure that there will be no misunderstandings on the issue of the southern Kurils, I would like to make one clear statement:

The southern Kurils, that means the two islands, Kunashiri (Kunashir) and Etorofu (Iturup), have always been Japan's territories, and there has been no doubt whatsoever about this point, and the return of these islands is only natural.

The Soviet Union did not participate in the San Francisco Peace Treaty, but it is our government's view that even in that treaty, the two islands are not included in the Kuril islands stipulated therein.

*Translated by the Strengthening Democratic Institutions Project*

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## Document 44

**MEMORANDUM OF A CONVERSATION BETWEEN SECRETARY OF STATE  
DULLES AND FOREIGN MINISTER SHIGEMITSU,  
AMBASSADOR ADLRICH'S RESIDENCE**

LONDON, AUGUST 19, 1956, 6 P.M.

(Extract)

Subject Discussed: Japanese-Soviet Treaty Negotiations

The Soviet Union wished to draw a boundary line to the north of Habomai and Shikotan. Shigemitsu inquired whether such a boundary would be legal from the point of view of the San Francisco Treaty. He said that Mr. Sebald had stated to the Japanese Embassy in Washington that such a concession would be in contravention of the Treaty.



The Secretary reminded Mr. Shigemitsu that the Kurils and Ryukyus were handled in the same manner under the surrender terms and that while the United States had by the peace treaty agreed that residual sovereignty to the Ryukyus might remain with Japan, we had also stipulated by Article 26 that if Japan gave better terms to Russia we could demand the same terms for ourselves. That would mean that if Japan recognized that the Soviet Union was entitled to full sovereignty over the Kurils, we would assume that we were equally entitled to full sovereignty over the Ryukyus.

. . . The United States has already turned back the northern Ryukyus. The Secretary suggested Japan might tell the Soviet Union of the tough line the United States was taking—that if the Soviet Union were to take all the Kurils, the United States might remain forever in Okinawa, and no Japanese Government could survive . . .

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Document 45

**LETTER FROM S. MATSUMOTO TO A.A. GROMYKO**

SEPTEMBER 29, 1956

Mr. First Deputy Minister,

I consider it an honor to refer to the letter of Prime Minister Mr. Hatoyama of September 11, 1956 and to the answer of the Chairman of the Council of Ministers of the USSR of September 13 of this year and to announce the following:

The government of Japan is ready to enter negotiations in Moscow on the normalization of Soviet-Japanese relations without the signing of a peace treaty at this time, as it was noted in the aforementioned dispatch of Prime Minister Mr. Hatoyama. At the same time the Japanese government thinks that after the reestablishment of diplomatic relations as a result of these negotiations, it is quite desirable that Soviet-Japanese relations develop even further on the basis of a formal peace treaty, which would include the territorial issue.

Thus, the Japanese government will assume that negotiations on the signing of a peace treaty, which included the territorial question, will continue after the reestablishment of normal

diplomatic relations between our countries. Before we start negotiations according to the dispatch of Prime Minister Mr. Hatoyama, I would be very grateful if the Soviet government will also confirm beforehand that it shares this point of view.

Plenipotentiary representative of the Japanese Government S. Matsumoto

*Translated by the Strengthening Democratic Institutions Project*

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**Document 46**  
**LETTER FROM A.A. GROMYKO TO S. MATSUMOTO,**  
**SEPTEMBER 29, 1956**

Mr. Plenipotentiary Representative,

I consider it an honor to confirm the receipt of your letter of September 29, 1956 which stated the following:

*I consider it an honor to refer to the letter of Prime Minister Mr. Hatoyama of September 11, 1956 and to the answer of the Chairman of the Council of Ministers of the USSR of September 13 of this year and to announce the following:*

*The government of Japan is ready to enter negotiations in Moscow on the normalization of Soviet-Japanese relations without the signing of a peace treaty at this time, as it was noted in the aforementioned dispatch of Prime Minister Mr. Hatoyama. At the same time the Japanese government thinks that after the reestablishment of diplomatic relations as a result of these negotiations, it is quite desirable that Soviet-Japanese relations develop even further on the basis of a formal peace treaty, which would include the territorial issue.*

*Thus, the Japanese Government will assume that negotiations on the signing of a peace treaty, which includes the territorial question, will continue after the reestablishment of normal diplomatic relations between our countries. Before we start negotiations according to the letter of Prime Minister Mr. Hatoyama, I would be very grateful if the Soviet government will also confirm beforehand that*

*it shares this point of view.*

So, on behalf of the Soviet government, I consider it an honor to inform you that the Soviet government shares the opinion of the Japanese government noted above and announces its agreement to continue negotiations on the signing of a peace treaty, which would include the territorial issue, after the reestablishment of normal diplomatic relations.

With all my respect, Mr. Plenipotentiary Representative,

The First Deputy Minister of  
Foreign Affairs of the USSR,  
A.A. Gromyko

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Document 47

**JOINT DECLARATION BY THE USSR AND JAPAN**

SIGNED AT MOSCOW ON OCTOBER 19, 1956

(EXTRACT)

9. The Union of Soviet Socialist Republics and Japan agree to continue after the restoration of normal diplomatic relations between the Union of Soviet Socialist Republics and Japan, negotiations for the conclusion of a Peace Treaty.

In this connection, the Union of Soviet Socialist Republics, desiring to meet the wishes of Japan and taking into consideration the interests of the Japanese State, agrees to transfer to Japan the Habomai Islands and the island of Shikotan, the actual transfer of these islands to Japan to take place after the conclusion of a Peace Treaty between the Union of Soviet Socialist Republics and Japan.

By authorization  
of the Presidium of the Supreme  
Soviet of the Union of Soviet  
Socialist Republics:

N. Bulganin  
D. Shepilov

By authorization  
of the Government of  
Japan:

I. Hatoyama  
I. Kono  
S. Matsumoto

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Document 48

**MEMORANDUM  
FROM THE SOVIET GOVERNMENT  
TO THE JAPANESE GOVERNMENT  
(EXTRACTS)**

*Pravda*

January 29, 1960

On January 27, A.A. Gromyko, the USSR Minister of Foreign Affairs, received S. Kadowaki, the Japanese Ambassador to the USSR, and handed him the following memorandum from the Soviet Government:

A new situation has formed as a result of the fact that this treaty actually deprives Japan of independence and that foreign troops stationed in Japan remain on Japanese territory as a result of Japan's surrender. This situation makes it impossible for the Soviet government to fulfill its promises to return the Habomai and Shikotan islands to Japan.

In agreeing to return the islands to Japan after the signing of a peace treaty, the Soviet government went half-way to meet Japan's wishes and took into consideration the national interests of the Japanese state and the peace-loving intentions expressed by the Japanese government during the Soviet-Japanese negotiations. But since the new military treaty signed by the Japanese government is directed against the Soviet Union as well as against the People's Republic of China,

the Soviet government cannot contribute to extending the territory available to foreign troops by returning the islands to Japan. Thus, the Soviet government finds it necessary to declare that Habomai and Shikotan will be transferred to Japan only if all foreign troops are withdrawn from Japan and a Soviet-Japanese peace treaty is signed—as was stated in the Joint Soviet-Japanese Declaration of October 19, 1956.

Moscow, January 27, 1990

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Document 49

**MEMORANDUM BY THE JAPANESE GOVERNMENT  
TO REFUTE THE SOVIET MEMO**

FEBRUARY 5, 1960

(EXTRACT)

It is extremely incomprehensible that in its latest memorandum, the Soviet Government is connecting the issue of the revised Japan—US Security Treaty with the issue of handing over the Habomai Islands and Shikotan. The conditions of Habomai Islands and Shikotan are stated clearly in the Joint Declaration by Japan and the Soviet Union, that “the Union of Soviet Socialist Republics, desiring to meet the wishes of Japan and taking into consideration the interests of the Japanese State, agrees to transfer to Japan the Habomai Islands and the island of Shikotan, the actual transfer of these islands to Japan to take place after the conclusion of a Peace Treaty between Japan and the Union of Soviet Socialist Republics.”

This Joint Declaration is an official international legal document ratified by a state organization which stipulates the foundation of the relationship between Japan and the Soviet Union. It is needless to say that we cannot unilaterally change the contents of this solemn international treaty. Moreover, since the current Japan-US Security Treaty already existed and foreign troops were present in Japan when the Joint Declaration by Japan and Soviet Union was signed, it must be said that the Declaration was signed on the basis of these facts. Consequently, there is no reason that the agreements contained in the Joint Declaration should be affected in any way.

The Soviet attempt to change the contents of the Declaration by attaching new conditions to it, thereby changing of the contents of the Declaration, is unacceptable. Japan insists

on reversion not only of the Habomai Islands and Shikotan but also of the islands which are inherent parts of its territory.

*Translated by the Strengthening Democratic Institutions Project*

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Document 50

**SECRETARY HERTER'S NEWS CONFERENCE OF  
FEBRUARY 8, 1960  
(EXTRACT)**

- Q: Mr. Secretary, since the United States and Japan signed their new security treaty, on January 19, the Soviet Union informed Tokyo that it does not feel that the return of Habomai and Shikotan Islands is any longer justified. Would you comment on that sir?
- A: . . . I also find it distressing the unilateral repudiation by the Soviet Union of its previous commitment to the Japanese Government to return the islands of Habomai and Shikotan at the conclusion of a future peace treaty with Japan . . .

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Document 51

**THE JAPANESE GOVERNMENT'S UNIFIED VIEW ON  
THE DEFINITION OF THE NORTHERN TERRITORIES**

**Question:** "Territories" No. 53., May 7, 1968, from the Director of the General Affairs Department of Hokkaido:

"I would like to know how the Ministry of Foreign Affairs defines the term 'the Northern Territories'?"

**Answer:** “East Europe” No. 2637., May 28, 1968, From the Chief of Europe-Asian Department, the Japanese Ministry of Foreign Affairs.

When we use the term ‘the Northern Territories,’ it is used either in a broad sense or in a narrow sense.

In a broad sense:

1. It is our inherent territory which we are demanding the Soviet Union return to us (Kunashir and Etorofu)
2. It is the area that is stated under Clause 9 of the Japan-Soviet Joint Declaration, that the Soviet Union agrees to hand over upon the conclusion of a peace treaty (the Habomai and Shikotan)
3. It is the area that Japan renounced in the San Francisco Peace Treaty, Article 2 (c) and to whom it belongs has not been determined yet (the Kuril Islands, South Sakhalin)

In a narrow sense:

We understand that it only applies to 1 and 2 above.

(The Government thinks that 1 and 2 are our inherent territory)

*Translated by the Strengthening Democratic Institutions Project*

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### Document 53

#### **THE JOINT COMMUNIQUE BY JAPAN AND THE SOVIET UNION**

SIGNED AT MOSCOW ON OCTOBER 10, 1973

(EXTRACT)

1. Prime Minister Toshiki Kaifu of Japan and President M.S. Gorbachev of the Union of Soviet Socialist Republics held an in-depth and thorough discussion of the total range of issues relating to the drafting and conclusion of a peace treaty between Japan and the Union of Soviet Socialist Republics, including the issue of territorial demarcation, with consideration to the two sides’ positions on the ownership of the Habomai Islands,

Shikotan, Kunashiri, and Etorofu.

The joint work done previously—particularly the talks at summit level—have made it possible to state a number of conceptual provisions: The peace treaty should be the document marking the final resolution of war-related issues, including the territorial issue, that it should open the way for long-term Japan-USSR relations on the basis of friendship and that it should not infringe upon either side's security.

The Soviet side proposed that measures be taken in the near future to expand exchanges between residents of Japan and residents of the aforementioned islands, to establish a simplified visa-free framework for visits by Japanese to these islands, to initiate joint mutually beneficial economic activities in that region, and to reduce the Soviet military forces stationed on the islands. The Japanese side stated its intention to consult on these questions in the future.

As well as emphasizing the primary importance of accelerating work to conclude the preparations on the peace treaty, the Prime Minister and the President expressed their firm resolve to make constructive and vigorous efforts to this end taking advantage of all positive elements that have been built up in the bilateral negotiations in the years since Japan and the Union of Soviet Socialist Republics jointly proclaimed an end to the state of war and the restoration of diplomatic relations in 1956.

At the same time, they recognized that the development of constructive cooperation

between Japan and the Union of Soviet Socialist Republics, including the adjacent Russian Soviet Federal Socialist Republic, in the trade and economic, scientific and technological, and political as well as in the social activity, cultural, educational, tourism, and sports fields through free and wide-ranging exchanges between the peoples of the two countries in mutual relations in an atmosphere of good-neighborliness, mutual benefit, and trust is advisable.



Document 54

**LETTER FROM B.N. YELTSIN  
TO THE RUSSIAN PEOPLE**

NOVEMBER 16, 1991

Dear compatriots!

Having received your appeal in which you express your concern about the destiny of the Southern Kurils, I consider it my duty to clarify the position of the government of the Russian Federation.

I fully agree with you that the current generation of Russians is not responsible for the political opportunism of the former leaders of our country. At the same time an obvious obligation of the new Russian leadership is to look for ways of resolving problems, which we inherited from the policies of the previous eras, and which are standing in the way of developing normal relations between Russia and the world community today. In the end, the future of a new democratic Russia as a member of this community, and its international authority depends on how fast we manage to overcome the difficult heritage of the past, accept the norms of civilized international communication, and thus make lawfulness, justice and strict following of the principles of international law the main criteria of its policy.

One of the problems we will have to resolve in the nearest future is concluding a final post-War settlement in our relations with Japan. I am convinced that from the point of view of the Russians, it would be unforgivable to continue to endure a situation when relations with Japan remain practically frozen because of the absence of a peace treaty between our countries. It is well-known that the main obstacle to the signing of this treaty is the demarcation of the border between Russia and Japan. This problem has a long history, and it has lately attracted everyone's attention and provoked very diverse feelings among the citizens of Russia. In approaching this issue, we will be guided by the principles of justice and humanism, we will firmly defend the interests and dignity of Russians and primarily of the inhabitants of the Southern Kurils. I can assure you that none of the inhabitants of the Southern Kurils' futures will be ruined. Their social-economic and property interests will be fully provided for, taking into account the new historical realities.

The initial principle for any agreements with Japan will be ensuring the well-being of our single and indivisible Fatherland. Being the first democratically elected President intentions and plans of its government in a timely manner.

I sincerely hope for your understanding and support.

B. N. Yeltsin

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## APPENDIX E

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