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Ending the Russia-Japan Impasse: fresh thinking on the Kurils

by Kosuke Takahashi

TOKYO - With Japan experiencing strained diplomatic relationship with China and South Korea, the opportunity exists to set the tone in balance-of-power politics and economic integration with another neighbor. That is Russia, and the overarching, issue that continues to divide Japan and Russia is sovereignty over the four Russian-held Kuril Islands. Recently, some Japanese experts on Russia have been calling for greater flexibility and compromise by Tokyo, which has always demanded the return of all four islands. There's no sign yet of official acceptance, but pressures are building for Japan to strike a deal and accept a "two islands plus alpha" solution - still to be hammered out. In this perspective, Japan would give up its demands for the return of all four islands and instead accept the two smaller islands and a portion of the two larger ones.

While dispute continues over the islands, called the Northern Territories by the Japanese and the Southern Kurils by the Russians, conciliatory approaches are beginning to crop up among Russia experts in Japan. The majority of specialists remain determined to wage a long, drawn-out contest with Russia and support Japan's official demand for the return of all four islands, but an increasing number have begun to float the possibility of compromise, arguing that better relations with Moscow are essential at a time when Japan's relations with China and South Korea have plummeted.

The Kurils, or Northern Territories, consist of three islands - Kunashiri, Etorofu and Shikotan - and the uninhabited Habomai group of islets, also termed an island. The islands are believed to be rich in natural resources, such as oil and gas, and the area is a major fishing grounds. Unlike other political issues confronting Japan, the issue of the Northern Territories has been unique in commanding political and public solidarity for the return of all four islands. Every major Japanese political party, including the ruling Liberal Democratic Party and the Japanese Communist Party, has urged Russia to return the four islands. This is because the majority of Japanese believe Russia occupied the territories without justification after World War II. Against this backdrop of nationalism, no Japanese prime minister has been able to solve the festering territorial.

Foundations for Agreement

Experts seeking to place Russian-Japanese relations on a firm footing, argue that the two nations need to find common ground, a point of compromise on the Kurils. Their approach, the two islands plus alpha solution, is less than a 50-50 split of the total area, more like 37-63, with the smaller part going to Japan. "Two" refers to the two smaller islands that Russia promised to return to Japan in 1956 and that Russian President Vladimir Putin suggested last November Moscow could relinquish - they represent just 7% of the entire disputed area. "Alpha" refers to some portion of the remaining two bigger islands.

Russia has offered to return the two smaller territories - Shikotan Island and the uninhabited Habomai group of islets, while retaining the larger, more valuable islands. Tokyo has rejected the offer and has sought the return of all four territories. Moscow has never accepted the return of more than two islands, while Tokyo has never accepted the return of less than four islands.

Island Name	Area (square kilometers)
Etorofu Island	3,184.0
Kunashiri Island	1,498.8
Shikotan Island	253.3
Habomai islets	99.9
Total	5036.0

Source: The Geographical Survey Institute

Japan and Russia have not concluded a peace treaty since the end of World War II, 60 years ago, due to this unsolved territorial dispute. Currently, the two sides are engaged in a covert but fierce war of diplomatic nerves over President Putin's hoped-for visit to Tokyo. Putin told Prime Minister Koizumi Junichiro last November during the annual Asia-Pacific Economic Cooperation (APEC) forum summit in Santiago, Chile, that he would visit Japan in early 2005, but the trip has yet to be scheduled, due apparently to differences between Moscow and Tokyo over the territorial dispute.

Experts in Tokyo are watching to see whether Koizumi will visit Russia during the celebration of the 60th anniversary of victory in World War II, to be held in Moscow on May 9 - a possible indicator of Japanese flexibility. Since Koizumi is currently facing severe criticism in the Diet over his top priority, reform of the postal system, whether he can spare time to visit Moscow remains to be seen. If he does go, this would suggest serious intention to resolve the territorial issue and improve bilateral ties.

Russian Foreign Minister Sergei Lavrov will be in Japan on May 30-31 to lay the ground for Putin's promised trip later this year, according to news reports. Koizumi indicated that he is considering visiting Russia around May 9 if parliamentary circumstances allow him to do so. Conservative Japanese media, such as The Sankei Shimbun, staunchly oppose such a visit, which they say might be viewed by both the Japanese and Russian public as Tokyo's weak-kneed diplomacy in the territorial dispute with Moscow.

"Nothing but political accommodation by the two top leaders can solve this long-standing territorial dispute," Hakamada Shigeki, a professor at Aoyama Gakuin University in Tokyo and an expert on Russian affairs, told the author. "Both sides need to make some concessions."

Shimotomai Nobuo, professor of law at Hosei University and an expert on Russian politics and history, noted that calls for the two islands plus alpha formula are growing steadily among Russia experts in Tokyo. "President Putin has played a diplomatic card suggesting the return of two of the four islands, and this year will be a decisive time for the Japan-Russia talks on the Northern

Territories and future ties," Shimotomai commented.

Iwashita Akihiro, a professor at Hokkaido University's Slavic Research Center, echoed their views, noting that "Koizumi and Putin have the leadership ability to make a breakthrough on this territorial dispute." Iwashita cited Koizumi's two surprise visits to North Korea, and Putin's visit to Beijing last October. The latter solved Russia's long-standing border disputes with China when Putin and Chinese President Hu Jintao reached a 50-50 agreement on borders. The precedent increases pressure on Tokyo to reach a settlement.

A bitter war legacy

For Japan, the dispute over the islands is a bitter legacy of World War II. On August 9, 1945, three days after the atomic bomb was dropped on Hiroshima and the day on which Nagasaki suffered from the bombing, the Soviet Union declared war on Japan, in violation of the Neutrality Pact that Tokyo signed in 1941. Four days after Japan accepted the Potsdam Declaration announcing Japan's surrender to the Allied Powers, Soviet troops moved into the Kuril Islands, bringing them under complete control by September 5.

Although Russia has held the islands since 1945, the territorial dispute has also been a source of diplomatic frustration. Princeton University Professor Gilbert Rozman points out in his article in The International Relations of Northeast Asia, that for Russia "Japan's demand for four islands meant overturning the Yalta Agreement and yielding to nationalist pressure". At the February 1945 Yalta Conference involving Stalin, Roosevelt and Winston Churchill, the US and Britain are said to have acceded to the Soviet plan to invade and occupy these Japanese lands as a reward for Soviet participation in the war.

In 1960, Moscow unilaterally abrogated the 1956 Japan-Soviet communiqué providing for the return to Japan of the smaller Shikotan Island and the uninhabited Habomai group of islets - two of the four territories. Not until the early 1990s, shortly after the collapse of the Soviet Union, did Moscow officially admit the existence of any territorial dispute with Tokyo, attributing it to the Cold War. In 1993 the two countries finally issued the Tokyo Declaration that committed them to tackle the issue of sovereignty over all four islands, including the two bigger islands Kunashiri and Etorofu. This is why most Japanese intellectuals still adhere to Japan's longstanding demand for the return of all four islands. Although since last November Putin has offered Koizumi hard choices for ending the territorial dispute by proposing the return of the two smaller islands.

Expert opinion in Japan remains divided. Those who focus on the Soviet Union's violation of the Neutrality Pact with Japan in August 1945 tend to support Tokyo's case for recovery of the islands. Those who stress the 1956 Japan-Soviet communiqué, such as Gregory Clark, vice president of Akita International University, accept Russia's case for sovereignty over the islands.

Japan's 1951 San Francisco Peace Treaty with the Allied Powers excluding the Soviet Union, stipulated in Article 2(c) that Japan would renounce all rights, title and claim to the Chishima Retto, literally meaning the Kuril islands chain. But the Japanese government has never recognized the inclusion of those four islands among those renounced as the Chishima Retto, claiming that they have always been Japanese territory. Hence Japanese refusal to call those four islands the Southern Kurils and insistence on calling them the Northern Territories.

Last September, Koizumi stepped up pressure on Putin over this territorial dispute by touring the Northern Territories in an offshore patrol vessel. Many foreign observers said that Koizumi intentionally strained relations between the two nations. But Japanese experts such as Prof. Hakamada of Aoyama Gakuin University hold that the tour was only intended to correct any perception by the Russians that Tokyo would focus on promoting economic cooperation by shelving the territorial issue. This is because, prior to the tour, the Japan-Russian Action Plan, adopted by Koizumi and Putin in January 2003 when Koizumi visited Russia, had emphasized economic cooperation.

Return of three islands the best solution

For Japan, a politically feasible remedy for settling this long- festering dispute could be the return to Japan of the three smaller islands - Kunashiri, Shikotan and Habomai. This could be an alternative to Putin's offer to return the two smallest islands - Habomai and Shikotan - and might help bring Japan and Russia closer to a resolution.

At a meeting in Tokyo of Japanese and Russian experts on February 2, a Japanese participant suggested a 50-50 split of the entire area of the Northern Territories. The two islands that Russia has proposed to return constitute just 7% of the total area of the four islands. A 50-50 split of all four islands would give Japan Kunashiri, Shikotan and Habomai islands and a portion of the remaining Etorofu. The three islands only constitute 37% of the total, but Japan could give up Etorofu as a bitter legacy of World War II and a reminder of earlier leaders' serious political misjudgment - a lesson for future Japanese politicians and the public.

This 37-63 split of the entire area of the disputed islands could be a win-win international resolution as well as a lose-lose result in the two countries' domestic politics, since giving up perceived sovereignty always goes against national sentiment. But Tokyo should allow Russia to run the administration of Kunashiri in the near- and mid-term, permitting Russian residents to live on the island and waiting for some of them to move to Etorofu in the long term. The Japanese government repeatedly has said Tokyo would flexibly respond to the timing and manner of the return of the administration over the Northern Territories, if the islands were to return to Japan.

Another reason to support such a solution is that since the three smaller islands - Habomai, Shikotan and Kunashiri - and the largest island - Etorofu - are administered by different local government organizations, it would be easier to redraw a national boundary between Kunashiri and Etorofu. Specifically, Habomai, Shikotan and Kunashiri have been administrated by the "Southern Kuril" local government of the Sakhalin provincial government, while Etorofu has been under the administration of the "Kuril" local government of Russia's Sakhalin Island.
In addition, while Etorofu is known for its self-sustaining economy, supported by one major monopolistic fish processing firm called Gidrostroy, Kunashiri and Shikotan, both closer to Hokkaido, have been suffering from economic woes and are more dependent on the Japanese economy, especially Hokkaido Nemuro's local fishery industries.

The Resolution of Asian Border Disputes

With the resolution of the long Chinese-Russian border dispute in 2004, and of the Chinese-Indian border dispute in 2005, the time may be ripe for Russia and Japan to find a solution. Other strategic and geopolitical factors point to the advantages for both sides in resolving the territorial issue. One is the rapid rise of China as a major political and economic power. A second is Japan's bid in competition with China to gain access to Russian energy resources. Certainly Japan is eager to make deals giving it access to Russia's massive oil and gas reserves in Siberia, and Russia would welcome Japanese investment. Tokyo and Moscow have a clear interest in solving the territorial row, which has been the principal obstacle to putting bilateral relations on a firm footing.

For Japan, solving this dispute would give enormous momentum to settling the country's other border issues with China, South

Korea and Taiwan. To the south, Japan is engaged in a sovereignty dispute over the Senkaku Islands (known in China as the Diaoyu Islands) and competing development of offshore gas fields in the East China Sea. In the west, it faces the thorny issue of the South Korean-held Takeshima, known in South Korea as Tokdo.

For Russia and Japan, the year 2005 is a symbolic year representing an opportunity that may not arise again. Not only does it mark the 150th anniversary of the treaty of commerce and friendship between Moscow and Tokyo, but it also marks the 100th anniversary of the peace treaty of Portsmouth, signed in 1905, at the conclusion of the 1904-05 Russo-Japanese War. Further, it commemorates the 60th anniversary of the end of World War II. History will look kindly on Koizumi and Putin, if they can resolve this long-standing and festering territorial dispute once and for all. The two leaders need to hammer out a proper road map for settlement of the territorial issue if they wish to secure their places in history. The four islands are not worth a long destabilizing battle in a potentially volatile region.

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