

# Putin's Policy toward Japan: Return of the Two Islands, or More?

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**I**t is one of the strangest anomalies in the international community today: more than five decades after the end of World War II, Japan and Russia have not yet signed a peace treaty and relations between the two nations are yet to be wholly normalized.

On one hand, we have Japan, which despite the current recession is still an economic superpower, second only to the United States; on the other, Russia, which even after the breakup of the Soviet Union is still the largest nation on earth and controls a nuclear arsenal as big as that of the United States. Both countries are members of the Group of Eight Western industrial democracies (in which Russia is a political but not financial member), and they are geographic neighbors. Further, they are in a rare complementary economic relationship, with Japan being virtually without natural resources and Russia possessing more energy and fuel resources than any other nation.

Japan and the former Soviet Union signed a joint declaration in 1956 that normalized their diplomatic relations. However, because they could not resolve territorial disputes, they were unable to sign a peace treaty. Technically, the lack of a signed peace treaty means that the two countries are still at war and that bilateral relations have not been completely normalized. In the forty-four years since the joint declaration was signed, a situation has prevailed that can scarcely be called normal. The lack of a peace treaty, which should serve as the legal framework between the two countries, creates an abnormal situation that hampers the smooth development of bilateral relationships in all fields, including politics, diplomacy, security, trade, economic cooperation, and exchanges in science, culture, and sports. This situation does not exert a positive influence on Northeast Asia, or indeed on international politics in general.

Why have these abnormal conditions persisted between the two giant neighbors? The answer is simple: because they are in direct conflict concerning the return of the Northern Territories (called the Southern Kuril Islands by the Rus-

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sians) to Japanese sovereignty. The Northern Territories consist of four islands situated off the northeast coast of Hokkaido: Etorofu, Kunashiri, Shikotan, and the Habomai islets. Under Stalin, Soviet troops seized the islands after Japan had accepted the conditions of the Potsdam Declaration and surrendered. That is, they landed on Etorofu on 28 August 1945 and continued their attack even after Foreign Minister Mamoru Shigemitsu signed the surrender documents onboard the *Missouri* on 2 September. By 3 September, they had landed on the Habomai islets and completed the occupation, including the Chishima Islands (Kurils proper). Since then, Japan has continued to demand the return of the four Northern Territories, first from the Soviet Union and now from Russia, and the Russians have continued to refuse. According to the most common interpretation of international law, the demarcation of national boundaries is an important constituent condition of any peace treaty. Because Japan and Russia cannot agree on where to draw the territorial line, they have been unable to conclude a peace treaty.<sup>1</sup>

### **Putin's Japan Policy**

Vladimir Putin was appointed president of Russia on 7 May 2000. In the six months between then and the writing of this article, he has remained an enigma.<sup>2</sup> Although it is clear that Putin is a young and energetic politician, he is also a man of few words, making it difficult to ascertain his policies toward Japan.

For their part, the Japanese have hoped and expected that the new Russian president will reject at least some of the policies espoused by his predecessors Mikhail Gorbachev and Boris Yeltsin. The long-term interests of both Japan and Russia would be served by resolving the Northern Territories issue, signing a peace treaty and improving Russo-Japanese relations. Improvement can be expected only if the obstacle of the Northern Territories issue is removed. As he has just taken over the reins of government, Putin's power and authority are at a peak, and he is still in a honeymoon period with the lower house of Russian parliament, the State Duma. Now is therefore the ideal time to act decisively to remove the one stumbling block that remains between the two nations.

Many observers in Japan and abroad who hope for reconciliation between the two countries have placed their hopes in the new president. So far, however, it appears that Putin is going to adopt an approach that is more or less the same as those of his predecessors, namely, to put off the territorial issue for as long as possible.<sup>3</sup>

The tactics and mode of behavior that Putin has adopted toward Japan have given the Japanese reason to lose hope. For example, he delayed visiting Japan for as long as possible and he has shown interest in promoting as much economic cooperation as possible without first addressing the issue of the islands' return. In particular, he is trying to get Japan involved in large-scale economic development in the Russian Far East. In those and other ways, Putin is continuing the policies of his predecessors.

Of course, the Putin administration has clearly broken away from the practices of the Gorbachev and Yeltsin administrations in some respects. Unfortunately, the discontinuities do not include a willingness to engage in innovative policies from

a reformist perspective. On the contrary, Putin has modified the policies and mode of behavior of his two immediate predecessors to bring them back into line with Soviet-era policies. For example, Putin rejected a proposal by Japanese prime minister Yoshiro Mori to take advantage of the opportunity afforded by the Kyushu-Okinawa Summit to hold a bilateral summit meeting between Japan and Russia. It was assumed at the time that Putin's schedule was too full to accommodate the meeting. However, during his trip to the Far East Putin visited Beijing, Pyongyang, Blagoveshchensk, and Kamchatka. It would be too much to suggest that Putin's actions hint that he is laying the groundwork for an alliance among China, Russia, and North Korea that would encircle Japan. Still, it is clear that he was drawing a line in the sand against the theater missile defense, which has been advocated by the United States and tacitly condoned by Japan. The tactics that Putin has adopted both in Russia and abroad are reminiscent of those once adopted by the leaders of the Soviet Union. In the international sphere, for example, he avoids direct confrontation or negotiations with the United States or Japan. Instead, he seeks solidarity with like-minded nations to bolster Russia's own inadequate strength. In other words, he fills in the outer moat before attacking the main keep. This approach can be characterized as a "roundabout" or "indirect" strategy.<sup>4</sup>

Even during his official visit to Japan from 3 through 5 September 2000, Putin repeated the same approach and tactics. On the morning of the day he was scheduled to arrive in Tokyo, he visited Iuzhno-Sakhalinsk, the capital city of Sakhalin. In Sakhalin, September 3 is a holiday that commemorates the Soviet Union's victory over Japan in World War II. There were posters plastered everywhere with the message, "Let us celebrate the 50<sup>th</sup> anniversary of the great victory that liberated Sakhalin from the invasion of Japan." President Putin laid flowers at the Monument of Honor in the Victory Against Japan, commemorating those who lost their lives to the Japanese during the war. The political message embodied by his words and actions was clear: he was attempting to impress on the Japanese people the legitimacy of the former Soviet Union's participation in the war against Japan, as well as Russia's current occupation of the Northern Territories.<sup>5</sup>

When the Soviet Union still existed, Japanese distrust of the Russians was based primarily on two things: their stubborn refusal to return the Northern Territories and the Kremlin's contemptuous behavior toward the Japanese. Typical examples of the latter include the Soviet Union's inappropriate responses in the aftermath of the MiG -25 fighter incident (1976) and the downing of the Korean Airlines jetliner 007 (1983). With the rise of Gorbachev, however, the second basis for Japanese distrust was substantially removed, leaving the Northern Territories as the only issue still dividing the two nations.<sup>6</sup> Unfortunately, Putin's behavior toward Japan seems to be harking back to the bad old days of the Soviet Union.

#### **Putin's First Official Visit to Japan**

During Putin's first official visit to Japan, he met three times with Prime Minister Yoshiro Mori. In an effort to charm his hosts, Putin's wife Liudmila appeared

at an official banquet dressed in a kimono,<sup>7</sup> and Putin participated in a demonstration judo match at the Kodokan gymnasium.<sup>8</sup> Despite those performances, however, Putin's state visit was designed to achieve coolly calculated goals. He brought no special gift to Japan, and therefore took no gift back with him to Russia. The September 2000 summit ended without any breakthrough,<sup>9</sup> even when compared with the Japanese visits of his predecessors, Gorbachev and Yeltsin.

When Gorbachev visited Japan in spring 1991, he signed a joint declaration with Prime Minister Toshiki Kaifu that officially recognized the existence of the Northern Territories issue between Japan and the Soviet Union and clearly identified the Habomai islets, Shikotan, Kunashiri, and Etorofu as the objects of contention.<sup>10</sup> Sovereignty over the islands was defined as being in a gray zone that was neither 100 percent Soviet nor 100 percent Japanese. In view of this, former Japanese residents and others with ties to the islands were given permission to visit them without obtaining a visa from the Russian government.<sup>11</sup> Similarly, in a joint declaration issued by President Yeltsin and Prime Minister Morihiro Hosokawa in fall 1993, the names of the islands were clearly stated in order, starting from the furthest islands from Japan: Etorofu, Kunashiri, Shikotan, and the Habomai islets.<sup>12</sup> The issue of the islands' return was to be resolved on the basis of documents drawn up according to the principles of "law and justice," as well as the documents jointly compiled by the Ministries of Foreign Affairs of both nations, "Joint Compendium of Documents on the History of Japanese-Russian Territorial Questions," and a peace treaty was to be signed "promptly (*skor-eishee*)."<sup>13</sup>

During the Soviet era, relations between the two countries were stagnant. The actions taken by Gorbachev and Yeltsin were nothing more than one would expect under normal circumstances—at least, an argument to that effect can be made. Even conceding this point, however, the visits by the two previous leaders had concrete results that people could point to. One can even say that both leaders grappled seriously with the Northern Territories problem. Gorbachev stated that the Russo-Japanese relationship must be one in which "blood flowed with vitality (*polnokrovnye*)" between the two countries.<sup>14</sup> The summit between Gorbachev and Kaifu spanned a total of twelve hours over the course of six meetings (eight meetings according to the Soviet count). Yeltsin apologized six times during his visit to Japan for the Soviet Union's internment of Japanese citizens in Siberia.<sup>15</sup> In contrast, Putin stayed in Japan only two nights and three days and met with Mori only three times. The joint declaration that resulted contained nothing that either side could point to as a solid accomplishment.

### **Balance Sheet of the Mori-Putin Summit**

Broadly speaking, the summit held in early September 2000 had the following results for Japan: On the plus side, it permitted continued dialogue and contact between the top officials of the two countries.<sup>16</sup> According to the "new diplomatic doctrine" espoused by the Putin administration, Russia places emphasis on China and India in the Asian region.<sup>17</sup> In fact, however, Putin has engaged in discussions with Japanese prime minister Mori more often than with any other Asian

head of state. It should also be noted that the Russian president tends to be a “naked emperor” who is insulated from raw, external information. Therefore, his participation in the summit in Japan, where he heard the direct requests of the Japanese government, was probably a beneficial educational experience for him. Another positive result was that the Putin administration agreed to begin negotiating the signing of a peace treaty, based on both the Tokyo and Moscow declarations.<sup>18</sup> Because Putin’s is a new administration that was expected to be the antithesis of the Yeltsin administration, that confirmation is particularly important.

On the other hand, the Russo-Japanese summit also had a tendency to throw cold water on the development of bilateral relations. One source of concern is

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Putin’s half-hearted stance toward peace treaty negotiations. In November 1997, President Yeltsin and Prime Minister Ryutaro Hashimoto signed the well-known Krasnoiarsk agreement, which stated that both countries would do their utmost to sign a peace treaty by the year 2000. However, Putin coolly stated to Mori that, as a graduate of law school, he in-

terpreted the agreement as merely a target of the efforts and not as imposing the obligation of fulfillment.<sup>19</sup> His attitude made it very clear that he thought it would be foolish for the Japanese to cling to false hope.<sup>20</sup> Other than hinting that Russian public opinion would not permit it, Putin has provided no clear explanation as to why the Krasnoiarsk agreement will not be realized. It also appears that Putin has little interest in persuading his countrymen to support the agreement.

### **Economic Cooperation and National Sentiment**

While conceding nothing with respect to the Northern Territories issue, Putin was intent on securing economic cooperation from Japan. The high priority he placed on this aspect is indicated by the fact that the seventeen official members of his entourage at the summit meeting were heads of agencies or representatives of regional governments seeking economic interaction with Japan, particularly in the form of Japanese capital.

The summit did result in the “Putin-Mori Plan,” which enumerates a list of vague goals such as “supporting the expansion of interaction,” expressing the hope that cooperation will develop further, and “recognizing the importance of effort.” It did not contain any commitment to concrete action. In his talks with Putin, Mori did not forget to emphasize that bilateral economic cooperation must in principle be carried out by the private sector. He also pointed out various problem points on the Russian side, raising the example of the Santa Resort Hotel in Sakhalin, a joint venture that the Russians more or less hijacked from their Japanese partners.<sup>21</sup>

Putin's visit to Japan cured the Japanese people of any illusions they may have had toward Russia. Their hopes had been raised by three successive presidents—Gorbachev, Yeltsin, and Putin—and on each occasion those hopes had been dashed. The Japanese proverb holds true: One can show the face of Buddha only three times (that is, there is a limit to how often one can turn the other cheek). Not only that, but the current Russian president appears to be a cold-hearted pragmatist who is deaf to arguments such as moral responsibility, national sentiment, and "law and justice." Putin believes only in hardheaded calculations of gain and loss. He lacks the verbal idealism that Gorbachev evidenced when he talked about creating bilateral relations in which the "blood flowed with vitality," nor does he echo Yeltsin's sentimentalism. It would seem that the Japanese people now fully realize this.

### **The Rise of China**

How will Russo-Japanese relations develop in the future? The factors that will determine that can be organized into three categories: the international environment surrounding Russia; Russia's internal conditions; and leadership factors pertaining to Putin as an individual. I will consider each in turn.

First of all, what can we expect from the international environment? We see a tendency toward unipolar domination by the United States and opposition to that tendency by Russia, China, and other countries. One result might be a strategic partnership between China and Russia. The expansion of China, in particular, merits attention. It's not easy to imagine China continuing to grow at its current pace in the twenty-first century. At some point, its economic growth is bound to level out, which might lead to political destabilization. If China does manage to continue its current growth, the impact on international society, and particularly on neighboring countries, would not necessarily be beneficial. If more than 1.28 billion Chinese try to realize the living standard currently enjoyed by Europe and the United States, it will lead to a shortage of food and fuel energy resources as well as environmental contamination.<sup>22</sup>

The Russian Federation would be most seriously affected. It shares the world's longest land border with China, stretching 4,300 kilometers. Russia today is beset by the crisis of a declining population.<sup>23</sup> That problem is especially serious in the Russian Far East, which had previously been economically dependent on military related industries. The region is no longer receiving large subsidies from the central government, and residents are migrating to warmer climates. The region currently has a population of 7.4 million, declining at the rate of more than 70,000 people per year. In contrast, the population of neighboring northeast China currently stands at about 110 million, thirteen times the Russian population. In those remote areas, the national border is far from clear. Chinese peasants, carrying their meager belongings on their backs, are unconcerned with legalities as they cross into Russia. It is difficult to know the number of the Chinese who have legally or illegally immigrated and now live in the Far Eastern region of the Russian Federation, because there are no reliable statistics. Japanese and U.S. researchers believe that the minimum number is 300,000 and the maximum number is 2 million.<sup>24</sup>

Local Russian residents and a handful of the intelligentsia have already issued warnings about this “quiet expansion” of the Chinese.<sup>25</sup> They say that the Kremlin’s ongoing strategic partnership with Beijing is shortsighted and that such a “marriage of convenience” should be rectified as soon as possible.<sup>26</sup> Some observers go even further, saying that, as far as Russia’s security in the twenty-first century is concerned, her true strategic partner in Asia should not be China but Japan.<sup>27</sup> They argue that it is absolutely essential for Russia to improve its relationship with Japan and that the return of the Northern Territories is a small price to pay to achieve that goal.<sup>28</sup> The persuasiveness of this argument is increasingly being recognized.

### **Security Dialogue and Defense Exchange**

As I have already indicated, military strategic conditions are extremely fluid and opaque in Asia. All kinds of factors must be considered that can change the situation, including the development of nuclear capability by India and Pakistan, trends on the Korean Peninsula, the rise of China, and the relationship between China and Taiwan.

In recent years, Russia has shown greater enthusiasm for engaging in dialogue with Japan concerning security matters.<sup>29</sup> In June 1992, the Russian and Japanese defense ministries began discussing a joint policy program. The Tokyo Declaration of 1993 recognized “the importance of dialogue between administrative agencies in both countries concerning a wide range of issues, including security,” and stated a shared commitment to “further vitalizing exchanges of this type.” In the Moscow Declaration of 1998, that commitment was reconfirmed. On the basis of this general type of agreement, high-ranking Japanese officials such as Hideo Usui and Yoshinari Norota, both as director general of the Defense Agency, and Kazuya Natsume, chairman of the Joint Chiefs of Staff, have visited Russia in the past five years, and such Russian high officials as Defense Minister Igor Rodionov, Igor Sergeev, and Anatoly Kvashnin, the chief of the Russian General Staff, have visited Japan. Similarly, exchange port visits by the Maritime Self-Defense Force destroyer, *Kurama*, and a large antisubmarine ship, the *Admiral Vinogradov*, of the Russian Pacific Fleet have occurred. Such exchanges on security and military affairs between Japan and Russia were unheard of during the Soviet era, or even during the imperial Russian era. Among the defense exchanges planned for fiscal 2000 were a visit to Japan by Russia’s defense minister; visits to Japan by Russia’s vice-minister of defense and other top officials; a goodwill visit to Russia by a squadron of the Japanese Maritime Self-Defense Forces ships including joint search and rescue training operations; and bilateral meetings concerning accident prevention in nonterritorial waters and air space.

### **The Rise of Nationalism**

Many domestic factors in Russia affect bilateral relations with Japan. In the interest of brevity, I will discuss only two of them, one that could have a negative effect on Japan’s demand for the return of the Northern Territories and one that could have a positive effect.

The most important negative factor is the rise of nationalism. Over the past ten years or so, no people on earth have suffered such deep injury to national pride as the Russians, many of whom now suffer from an identity crisis. The list of insult and injury is seemingly endless, including the collapse of communism; the loss of the Eastern European bloc; the demise of the Soviet Union; the trend toward unipolar American power; the eastward expansion of NATO; NATO's bombing of Yugoslavia; the entry of American and European participants in the development of Caspian Sea resources; and so on. For the Russians, the combined effect of these experiences has been more devastating than even the loss of World War II was for the Japanese. The quickest way for the Russians to overcome their identity crisis is to resort to nationalism. Otherwise, it becomes difficult to explain such things as the Russians' fanatical pursuit of the second Chechen war. Similarly, it is the only way to understand how Putin, who vigorously supported Russian involvement in that conflict, managed to gain the presidency as the rest of the world looked on in bewilderment.<sup>30</sup>

Nationalism is a natural sentiment among all peoples and nations that cannot be suppressed. To deny it is to engage in hypocrisy. But Russian nationalism today is overconcerned with preserving national prestige and protecting territorial integrity, resulting in a tendency toward xenophobia that is likely to harm Russia's long-term interests. The Putin administration's refusal to accept the assistance of Norway and Great Britain during the *Kursk* submarine incident is merely one example.

Nationalism is a powerful source of Putin's popularity that will make it extremely difficult for him to return the Northern Territories to Japan. One could even say that doing so would be tantamount to destroying his base of authority. Putin is in the midst of crushing the independence movement in Chechnya to prevent it from leaving the Russian Federation. To the Japanese, the Northern Territories are a completely separate issue, but to ordinary Russians, it would be a blatant contradiction to go to war to preserve federal integrity in Chechnya while at the same time handing the Northern Territories back to Japan.

### **The Economic Distress of the Russian Masses**

A domestic factor that could have a positive effect on Russo-Japanese relations is the economic distress of the Russian masses. Although the Russian economy has shown signs of recovery since the financial crisis of August 1998, most of that recovery can be attributed to high international oil prices and the sharp devaluation of the Russian ruble, which raised the price of imported goods to prohibitive levels, thus revitalizing domestic industry. The recovery does not mean that the Russian economy has been successfully restructured or that it is now internationally competitive.

A class of new rich has emerged who have raked in vast profits in the confusion that has accompanied the transition from a socialist to a market economy. Making up less than 10 percent of the total population, these prosperous people have incomes at least 23.5 times higher than the average citizen. The average monthly wage in Russia is about U.S.\$82. Approximately 51 million Russians,



or 35-40 percent, live below the poverty line (defined as households with minimum monthly living expenses of U.S.\$38). For them, life was better even under Brezhnev than it is today.

How will nationalism and economic distress ultimately affect Russia's diplomatic policies toward Japan? The two factors have a complex relationship that cannot be easily unraveled. Poverty is an immediate, overriding problem that focuses the mind on how to get enough to eat from day to day. In this context, concern with Russia's national standing in the world is of secondary importance. On the other hand, man does not live by bread alone, and poor people also have pride. In fact, poverty can spawn a psychology that makes people reluctant to sell themselves for money. In many cases, people will identify with a strong state as a way of compensating for their lack of wealth. It is not unusual to find the strongest nationalistic sentiments among the very poorest of the poor. Take the Chechen war, for example. The vast majority of Russians were fiercely committed to it, not only out of Russian nationalism but also because it provided them with an excellent opportunity to vent their psychological frustration with obstacles that otherwise thwart their lives at every turn.<sup>31</sup> When the war became an inconclusive morass, however, immediate concern with daily life naturally came to the fore again. Interest in the Chechen conflict will therefore probably ebb away among ordinary Russians, and we will begin to see more people coming out against it as it continues to drain Russian resources.

It appears that Russian attitudes toward the Northern Territories will follow a similar course. If you were to survey the Russian people with a direct question as to whether or not Russia should exchange the Northern Territories for monetary compensation, few would answer "yes." But let's say that the president and the Duma decided to redraw the disputed territorial boundaries and promote friendlier, more cooperative relations with the economic superpower, Japan. If this should happen, the habitually passive Russian people would be unlikely to voice objection. That is what happened on 31 May 1997 when President Yeltsin signed a treaty with President Leonid Kuchma that officially ceded the Crimean peninsula to Ukraine.

### **The Russian Islanders**

There is one other domestic element that could have an effect on the course of future relations between Russia and Japan: the local factor. Of course, diplomacy has always been the province of the central government. That does not mean, however, that the will of those directly involved on a regional level have no influence on diplomatic decisions. Although such influence is limited, we can neither ignore nor disdain trends that emerge among the Russian residents of the islands, or among the authorities and residents of the state of Sakhalin, which has jurisdiction over the islands.

Currently, no Russian civilians live on the Habomai islets, although there is a garrison of border guards stationed there. The lack of civilian population can probably be attributed to the fact that life on the reefs and small islets is extremely difficult and inconvenient for modern Russians. (Before they were forcibly

deported in 1947-48, there were 6,500 Japanese living there.) A total of 14,300 ethnic Russians live on the remaining three islands: about 2,300 on Shikotan, 4,000 on Kunashiri, and 8,000 on Etorofu.<sup>32</sup> (Before the earthquake of 1994, there were 25,400 people living on the islands.)

I visited Shikotan, Kunashiri, and Etorofu without a visa as a member of an exchange group in the summers of 1999 and 2000. Attitudes toward the return of the islands to Japan differ clearly depending on which island you visit. On Etorofu, which is farthest away from Hokkaido and has a relatively successful seafood processing plant, many of the Russian residents oppose the return of the islands to Japan. In contrast, one gets the feeling that the Russian majority of the

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inhabitants of Shikotan would rather see their island reintegrated with Japan. Of the three inhabited islands, Shikotan is geographically closest to Hokkaido, and had it not been for the humanitarian aid provided by Japan when their seafood processing plant was destroyed in the 1994 earthquake, the residents would have been left without electric-

ity. Meanwhile, the attitudes of the Kunashiri islanders seem to vacillate somewhere between the extremes defined by the other two islands.

Among residents who would like to see the islands returned to Japan, the greatest concern is how to ensure that their current jobs and assets would be guaranteed after the reversion is complete. In one sense, they have already entered the phase of hashing out conditions. Meanwhile, those who oppose integration with Japan are most interested in maintaining the political status quo while revitalizing interaction with Japan. Despite the differences, residents of the three islands seem to share one common thing: they all feel that they have been essentially abandoned by the Russian mainland and Sakhalin. Therefore, if they are to survive, they feel they have no choice but to become integrated with the economic sphere of Nemuro and Hokkaido. Almost without exception, the islanders eke out their livings by selling the salmon, crab, and other seafood they catch in nearby waters to markets in Nemuro and other parts of Hokkaido. With the yen they receive in return, they buy fresh produce, electrical appliances, used cars, and other daily necessities in Japan. The parents closely watch weather reports on Japanese television to help them determine whether or not they should go out fishing, and their children watch Japanese television cartoons. Questions of sovereignty aside, the islanders in fact lead their lives as if they were part of Japan.

### **Trends in Sakhalin**

The government in Sakhalin is adamantly opposed to returning the southern Kurils to Japan, primarily for three reasons, which I reconfirmed during my four-

day visit there in early December 2000. First, the Sakhalin leaders tend to be old-school communists who are strongly colored by Soviet-era dogma. Second, they are psychologically insecure and resent the fact that, despite the four islands' being under their jurisdiction, Moscow has been negotiating directly with Tokyo without consulting them first. Third, they realize that the islands are the "goose that lays the golden eggs," because they provide Sakhalin with a means of eliciting economic cooperation from Japan indefinitely. They fear that once the islands are returned, Sakhalin will no longer be able to attract Japanese attention or interest. Such economic calculations have prompted the Sakhalin leadership to oppose giving the islands back.

For whatever reasons, successive governors of Sakhalin, from Valentin Fedorov in the Gorbachev era down to Igor Farkhutdinov today, have consistently led the opposition to returning the islands to Japan. Such a stance has been essential for them, both as a means of securing the support of the electorate and as the best way to draw Moscow's attention. The same tendency has been evidenced by other governors in the Russian Far East. When Gorbachev and Yeltsin ceded many islands to China through border demarcation agreements in 1991 and 1994, those officials staged fierce opposition campaigns.

Just how much influence does the will of local residents and officials have with the central government? In the case of the boundary settlement between Russia and China, there are only three islands that remain in dispute: Bolshoi-Ussuriiskii and Tarabarov islands on the Amur near Khabarovsk, and Bolshoi island at the head of the Ussuri (Argun) River.<sup>33</sup> The reason is probably twofold: First, Russia cannot let any of these islands go because of their strategic military importance; second, Moscow has concerns about the adamant opposition of local residents. What must not be forgotten, however, is that both Governor Farkhutdinov (Sakhalin) and Governor Ishaev (Khabarovsk) ultimately went along with the central government's decision regarding all the other islands. Putin has appointed Konstantin Pulikovskiy as his representative in the Far Eastern Federal District in an effort to reverse the trend toward decentralization, which he feels went too far under Yeltsin. It's clear that Putin intends to use Pulikovskiy as a means of forcing the Russian Far East into abiding by decisions that are made in Moscow. Both Ishaev and Pulikovskiy accompanied Putin on his trip to Japan in September 2000 and sat at the conference table for two days, with Ishaev seated just one seat closer to the center (where Putin sat) than Pulikovskiy. It remains to be seen whether or not this order will be reversed in the future.<sup>34</sup>

### **Putin's True Objectives?**

As the foregoing suggests, Putin plays an extremely important role in deciding Russian policy toward Japan. Therefore, it is worth asking what policies he intends to adopt in the future.

First, Putin does not want Russia's relationship with Japan to cool off completely. Although his responses to Prime Minister Mori's demands were half-hearted, he did welcome Mori in St. Petersburg before he had officially become Russian president. And he also visited Tokyo within four months after Mori had

taken up his post. After that visit, the Putin administration showed a certain amount of self-restraint on 8 September, when Japan's National Police Agency arrested a lieutenant commander at the National Institute for Defense Studies on suspicion of violating the Self-Defense Forces Law by providing confidential SDF information to a military attaché at the Russian embassy in Tokyo. At the time, Foreign Minister Sergei Ivanov stated that "this incident must not be allowed to negatively affect the good relations between Russia and Japan."<sup>35</sup> Because of this, the incident did not lead to a "spy expulsion battle" such as the one that occurred during the Gorbachev era in spring 1987.<sup>36</sup> One gets the feeling that the high importance Putin attaches to Japan was behind Russia's restraint in this instance.

There is some evidence that Putin has been reading up on Russia's relationship with Japan. For example, let's compare the two meetings between Mori and Putin, one held in St. Petersburg at the end of April 2000, the other held in Tokyo in early September the same year. In a period of only four months, Putin's policies toward Japan had undergone a transformation from being heavily dependent on advice from the foreign ministry to a pattern of personal initiatives. Under Foreign Minister Evgeny Primakov, Russia's foreign ministry was always a step behind President Yeltsin with respect to Japanese policy. Recently, however, even a typically conservative bureaucrat such as Foreign Minister Ivanov has fallen into step with Putin. Ivanov has retracted his previous efforts to conclude a peace treaty with Japan separately from the problem of the Northern Territories, and now insists that a peace treaty "includes the issue of territorial demarcation."<sup>37</sup>

When Putin visited Japan in September 2000, he made ambiguous statements that can be interpreted in different ways. For example, he greatly disappointed the Japanese when he redefined the agreement reached by Hashimoto Ryutaro and Boris Yeltsin, which stated that both sides would "do their utmost in concluding a peace treaty by 2000," by saying that it was nothing more than a goal to be worked for. During tête-à-tête talks with Mori during the second day, however, Putin reportedly stated that the territorial problem must be resolved during his tenure as president, but that he needed more time to deal with domestic obstacles.<sup>38</sup> Which statement reflects his true feelings? A majority of disheartened Japanese decided that the former position was the true one. However, Mori himself believes (or at least is trying to believe) that the latter stance revealed to him in private reflects Putin's true sentiments.

The above-mentioned two statements by Vladimir Putin reflect the two apparently contradicting aspects of the Russian president. President Putin is a nationalist, but he is also pragmatist. From the nationalist Putin, Japan may not reasonably expect the return of the Northern Territories in the near future. From the pragmatist Putin, however, Japan might expect the reversion of the islands, depending on the conditions and situations at a given moment. Putin must understand that if he fails to modernize Russia in the coming decade, there will be no significant place for Russia in the world.<sup>39</sup> To modernize Russia, it is useful and even necessary for Russia not to antagonize but rather to cooperate with Japan.

Those who influence Putin's foreign policy toward Japan are thus divided into

two groups. Some prefer the territorial integrity of the Russian Federation to Russia's improved relations with Japan; others the reverse. A good example is provided by the special committee meeting held by the State Duma on 19 September 2000, entitled "Problem of the Southern Kuriles in Russo-Japanese Relations." In the meeting, Alexander Losiukov, deputy foreign minister in charge of Asia-Pacific affairs, A. Plotnikov, a Duma member, and B. Shapoval, deputy governor of the Sakhalin oblast, expressed an uncompromising view on the territorial dispute with Japan.<sup>40</sup> In contrast, Japan specialists such as Georgy Kunadze, Valery Zaitsev, Konstantin Sarkisov, and Vladimir Eremin argued that it is necessary for Russia to make some territorial concession toward Japan.<sup>41</sup>

### **A Jolting Proposal: The Two-Stage Return of Two Islands**

Putin is almost certain in the near future to concentrate his efforts on proposing that only two of the four disputed Northern Territories be returned—a tactic designed to shock Japan so that he can observe the reaction. Putin's intentions could already be discerned during his visit in early September, when he affirmed the validity of the joint declaration issued by Japan and the Soviet Union in 1956. That declaration, which was signed by the heads of both states and ratified by their respective parliaments, is fully recognized internationally as a diplomatic document. Precisely because he engaged in dramatic posturing by telling Mori, "I am a lawyer," Putin could no longer deny the continued validity of the 1956 declaration, which states that the Soviet Union agreed to hand over the Habomai islets and Shikotan to Japan once a peace treaty is signed.

The Japanese government and some Russian scholars (for example, former deputy foreign minister Georgy F. Kunadze) believe that the remaining two islands will be the real focus of future territorial negotiations.<sup>42</sup> That perception is reinforced by the Joint Communiqué and Tokyo Declaration signed respectively by Gorbachev in 1991 and Yeltsin in 1993, which clearly enumerate the names of all four islands. Such an interpretation is appropriate. However, some observers in the Russian side (for example, Deputy Foreign Minister Alexander Losiukov) are under the mistaken impression that the 1956 Joint Declaration referred exclusively to Habomai and Shikotan. On the Japanese side as well, some believe that the reversion of all four islands is impossible under current conditions. They therefore advocate the initial return of two islands, followed by further negotiations concentrating on the remaining two (for example, Muneo Suzuki, a member of the Japanese house of representatives, belongs to this camp).

Prime Minister Mori has taken a clear stand on the issue, stating that the Japanese government will not agree to the preliminary return of the two small islands as long as the fate of the other two remains in doubt, and that the question must always remain focused on what to do with all four islands as a group.<sup>43</sup> But that still leaves the question of what exactly is meant by "finding a path" for the return of the remaining two islands. It would be an illusion to consider that an interim accord that does not carry in its title "peace," can find such a path: As Losiukov stated, only a peace treaty can resolve a territorial dispute;<sup>44</sup> an interim accord

that does not carry "peace" in its title cannot solve a territorial question. One may thus assume that only conclusion of a peace treaty can lead to the solution of a territorial problem.

To press the point further, we might wonder what conditions are required before a peace treaty can be signed. If the return of the remaining two islands is clearly specified in the peace treaty itself, it would be tantamount to a full return of all four islands to Japan, which is not particularly concerned about the timing and methods of the actual reversion of the islands. If, on the other hand, a peace treaty is signed without securing the return of the remaining two islands, it would be abandoning the quest to have the other two islands returned. The Russians would never agree to return the remaining two islands once they had a signed treaty in their hands.

Therefore, there are only two choices for Japan: accept the return of two islands, or continue to hold out for all four islands. The remark made by Lociukov at the committee in State Duma on 19 September 2000 endorses my interpretation, which is as follows: "If we could include in an interim accord any kind of resolution of the territorial question, then there would be no problem with signing it. The thing is, however, that we do not have such a solution. We have already been debating a solution for 50 years."<sup>45</sup> Lociukov has, as already cited, made it clear: "A territorial problem can be resolved only by a peace treaty. It cannot be solved by an interim treaty, which the Japanese side may agree to."<sup>46</sup>

### Japan's Move

I have discussed three major factors that will determine future directions of Russo-Japanese relations: the international environment surrounding Russia, Russia's domestic situation, and Putin's leadership. At the same time, however, we should not forget one more factor: Tokyo's reactions to Moscow's policy initiatives.

Apparently, the Putin administration has indicated that it is ready to transfer to Japan the two smaller islands. If the Japanese government under Mori appears to be ready to accept such a proposal, Putin will not make any further concessions to Tokyo. However, if Mori does not seem ready to accept such a proposal and insists on the reversion of all four islands, Putin will begin to think seriously about returning the two large islands to Japan. Dmitri Rogozin, chairman of the Duma Committee on Foreign Affairs, was quoted saying on 15 December 2000 that a compromise formula for an early resolution of the territorial issue might consist of three islands being returned to Japan. Because President Putin "supports an early resolution" of the issue, the ball appears now to be in the Japanese court.

### NOTES

1. For more details of the background of Japanese Soviet/Russian relations, see Hiroshi Kimura, *Distant Neighbors* (Vol.1) *Japanese-Russian Relations under Brezhnev and Andropov*; and (Vol.2) *Japanese-Russian Relations under Gorbachev and Yeltsin* (Armonk, NY: M. E. Sharpe, 2000).

2. Roi Medvedev, *Zagadka Putina* (Moscow: Prava cheloveka, 2000), 5, 6, 15.
3. Kimura, *Japanese-Russian Relations under Gorbachev and Yeltsin*, 229–35.
4. *Ibid.*, 10–16.
5. *Hokkaido Shimbun*, 2 September 2000; *Sanrei Shimbun*, 3 September 2000.
6. Kimura, *Japanese-Russian Relations under Gorbachev and Yeltsin*, 51, 157.
7. *Asahi Evening News*, 5 September 2000.
8. *Ibid.*, 6 September 2000; *Daily Yomiuri*, 6 September 2000.
9. See Comments made by Georgy Kunadze, *Informatsionno-analiticheskii biulleten'* (*Deputatskaia gruppya po sviaziam s parlamentom Iaponii*), No. 3 (September 2000), 6.
10. Kimura, *Japanese-Russian Relations under Gorbachev and Yeltsin*, 91.
11. *Ibid.*, 91–92.
12. *Ibid.*, 66–167.
13. *Ibid.*, 168.
14. *Pravda*, 17 May 1989.
15. Kimura, *Japanese-Russian Relations under Gorbachev and Yeltsin*, 165.
16. See comments by Valery Zaitsev, *Informatsionno-analiticheskii biulleten'*, 8.
17. *Rossiiskaia Gazeta*, 11 July 2000.
18. *Daily Yomiuri*, *Mainichi Daily News*, *Japan Times*, 5 September 2000.
19. *Hokkaido Shimbun* (evening edition), 15 September 2000; *Nihon Keizai Shimbun*, 6 September 2000.
20. Zaitsev, *Informatsionno-analiticheskii biulleten'* 3 (September 2000): 8.
21. *Mainichi Shimbun*, 5 September 2000.
22. Kent E. Calder, "Asia's Empty Tank," *Foreign Affairs* 75, no. 2 (March / April 1996): 55–69; Vassily Mikheev, "Kitai v svete tendentsii globalizatsii iaziatskogo regionalizma," *Problemy dal'nego vostoka* 3 (2000): 53.
23. See Putin's address to the Federal Assembly on 8 July 2000, in which the Russian President warned that the population of Russia has been diminishing on average by 750,000 a year. British Broadcasting Corporation Monitoring Summary of World Broadcasting : Former USSR (hereafter cited as BBC Summary Former USSR) 10 July 2000, 13/2.
24. *Nihon Keizai Shimbun*, 8 September 2000.
25. Viktor L. Larin, "'Yellow Peril' Again? The Chinese and the Russian Far East," in *Rediscovering Russia in Asia: Siberia and the Russian Far East*, Stephen Kotkin and David Wolff, eds. (Armonk, NY: M.E. Sharpe, 1995), 298–99.
26. Vladimir S. Miasnikov, "Russia and China," in *Damage Limitation or Crisis: Russia and the Outside World*, Robert D. Blackwill and Sergei A. Karaganov, eds. Center for Science and International Affairs Studies, No. 5 (Washington, DC: John F. Kennedy School of Government, Harvard University, and Brassy's Inc., 1994), 232; Alexander Lebed, *Geopolitical Concept* (unpublished); the author's interview with Sergei M. Rogov, director of the Institute of the USA and Canadian Studies; Larin, "Yellow Peril' Again?" 291–301, especially 296–300.
27. Alexei G. Arbatov, "Russia's Foreign Policy Alternatives," *International Security* 18, no. 2 (fall 1993): 36–37.
28. *Izvestiya*, 18 May 1995.
29. Victor Pavliatenko and Alexander Shlindov, "Russian-Japanese Relations: Past Achievements and Future Prospects at the Start of the 21<sup>st</sup> Century," *Far Eastern Affairs* 4 (2000): 13–18.
30. Sergei Kovalev, "Putin's Russia," *New York Review*, 10 February 2000 7; Army Knight, "The Enduring Legacy of the KGB in Russian Politics," *Problems of Post-Communism* 47, no. 4 (July-August, 2000):10.
31. Medvedev, *Zagadka Putina.*, 30–37, especially 36.
32. *Hoppo-chiiki Sogo-jittai Chosa: Hoppo-yonto no Genjo (Comprehensive Survey of the Northern Territories: Actual Situation of the Northern Four Istands)* (Tokyo: Somu-

cho Hoppo-taisaku honbu Northern Territories Affairs Administration, Management and Coordination Agency, 2000), 10-11; See also *Vekhi na puti, zakliucheniiu mirnogo dogovora mezhdu Iaponiei i Rossii* (Moscow: Materik, 2000), 31.

33. Georgi F. Kunadze, "Border Problems Between Russia and Its Neighbors: Stable for Now, But Stubborn in the Long Run," 136, and Hiroshi Kimura, Shaojun Li, and Il-Dong Koh, "'Frontiers Are the Razor's Edge': Russia's Borders with Its Eastern Neighbors," 161, both in *Russia and East Asia: The 21<sup>st</sup> Century Security Environment* Gilbert Rozman, Mikhail G. Nosov, and Koji Watanabe, eds. (Armonk; NY: M.E. Sharpe, 1999).

34. In this connection it is interesting to note that on 2 December 2000, the Duma rejected a proposal made by the Sakhalin parliament to set 3 September as the anniversary of the victory over Japan. The political message embodied by the proposal was clear: the Sakhalin oblast' had been attempting to impress upon the Japanese the legitimacy of the former Soviet Union's participation in the war against Japan, as well as consequent Russia's occupation of the Southern Kurile Islands. Some members of the Duma, however, opposed the proposal, saying that such a motion will make delicate Russo-Japanese relations further complicated." *Asahi Shimbun*, 24 December 2000.

35. *Sankei Shimbun*, *Asahi Shimbun*, 15 September 2000.

36. Kimura, *Japanese-Russian Relations under Gorbachev and Yeltsin*, 27.

37. BBC Summary Former USSR, 4 September 2000, B-6.

38. *Asahi Shimbun* (evening edition), 6 September 2000, *Japan Times*, 7 September 2000.

39. Padma Desai, "An Interview with Martin Malia," *Problems of Post-Communism* 47, no.6 (November-December 2000): 53-54.

40. *Informatsionno-analiticheskii biulleten'*, 10-12, 14-20.

41. *Ibid.*, 12-14, 19.

42. Georgy F. Kunadze, "V poiskakh novogo myshleniia: o politike SSSR v otnoshenii Iaponii," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*.8 (August 1990).

43. *Japan Times*, 7 September 2000.

44. *Informatsionno-analiticheskii biulleten'*, 19

45. *Ibid.*

46. *Ibid.*, 12.

47. *Yomiuri Shimbun* (evening edition), *Sankei Shimbun* (evening edition), *Hokkaido Shimbun* (evening edition), 16 December 2000; *Japan Times*, *Daily Yomiuri*, 17 December 2000. Rogozin, however, denies hinting at a handover of three out of the four disputed islands to Japan on 17 December, saying that "some Japanese reporters wrote what they wanted to hear rather than what was said." BBC Summary Former USSR, 16 December 2000, B-2.