

# COMMENTS

## Japan-Russia Contemporary Relations: Will the Impasse Ever End?

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*Relations between Japan and Russia represent a long history of rivalry, political tension, and misapprehension. The most critical issue that precludes Japan and Russia from normalizing their diplomatic, economic, and socio-cultural relations is the ongoing territorial dispute over the four Kuril Islands. The two countries are still struggling to establish fully normalized relations with one another as this dispute continues. Furthermore, because of the Kuril hurdle, Russia and Japan are still technically at war; a peace treaty following World War II was never signed. The Kuril Islands issue is undoubtedly very complex, controversial, and emotionally charged in both Japan and Russia. However, it is now time for the two nations to move their relations forward, and focus on building a constructive dialogue of economic, strategic, and political cooperation. This new century should be the time for the two countries to overcome their historic differences and, instead of looking backward, redirect their policies toward each other into a more harmonious future open to cooperation and rapprochement.*

**R**elations between Japan and Russia represent a long history of rivalry, political tension, and misapprehension. Neither a lasting *détente* nor a mutual understanding between the two countries and their peoples has ever developed. This is due particularly to the ongoing territorial dispute over the four Kuril Islands: Shikotan, Kunashir, Iturup, and Habomais. Japan considers these islands to be its “Northern Territories,” while Russia regards them as its “Southern Kurils.”

The current state of Japan-Russia relations suggests that as long as both nations are unwilling to reach a compromise on the Kuril territorial dispute, the likelihood for the normalization of their relations is dismal in the near future. The Japan-Russia territorial impasse over the Kuril Islands has long prevented these two nations

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from enjoying the potential benefits of improved relations in political, defense, economic, and socio-cultural spheres. Furthermore, these two countries have a significant impact on the overall balance of power in East Asia and the world. It is therefore imperative for Tokyo and Moscow to solve their long-lasting territorial dispute over the Kuril Islands and to move away from zero-sum policies vis-à-vis one another.

### **The Kuril Dispute: Background**

Official maps of the Soviet “Southern Kurils” and the Japanese “Northern Territories” reflect USSR/Russia’s and Japan’s opposing views concerning the disputed islands. Looking at the historical origins of the dispute, which began during the late nineteenth century, it is difficult to determine who presently has greater political or legal rights to these territories. On one hand, the four islands historically belonged to Japan, which established very close ties with the island population. However, the Russians maintain that they discovered these islands and protected its indigenous population from extinction. The legal framework of ownership of the disputed territories fails to explain which party has a legitimate claim.

The Kuril issue developed as an offshoot of the Japan and Russian border conflict, centering on both the Kuril Islands and Sakhalin Island. In the mid-nineteenth century, the two countries began negotiations to prevent further penetration into these territories by one another, as well as to divide their respective spheres of influences. As a result, the two countries reached an agreement on their spheres of influence in the Kuril Islands and signed the Treaty of Shimoda in 1855. The treaty drew a border between Iturup and Urup, stipulating that the Russians were to remain in the Northern Kurils and the Japanese in the Southern Kurils. The 1875 Treaty of St. Petersburg addressed the fate of Sakhalin Island, giving Russia the legal ownership over the entire island in exchange for the Northern Kurils. This settlement was reversed 30 years later when, following Russia’s humiliating defeat in the 1905 Russo-Japanese War, Japan seized Southern Sakhalin. The Treaty of Portsmouth documented this new territorial arrangement (a bilateral frontier division on the 50<sup>th</sup> parallel), which lasted until the 1920s when Japan began an anti-Bolshevik military campaign and managed to occupy the entire island of Sakhalin. Japan thereby maintained its legitimate ownership of the Kuril Chain and Sakhalin Island until its defeat in World War II.

The Soviet Union, despite having signed a neutrality pact with Japan in 1941, entered the war in the Pacific in August 1945. Nonetheless, the Soviets maintained that Japan was the first to breach the neutrality agreement by joining the fascist coalition and engaging in military aggression in Asia. The USSR began its anti-Japanese military operations in Manchuria, Sakhalin, and the Kurils. Some historians argue that Stalin was prepared to invade Hokkaido, but the United States strongly discouraged him. Instead, Stalin settled on receiving Sakhalin and the Kurils as a “prize” for his involvement in the Pacific Front. The Yalta Agreement of 1945 documents the handover of these islands to the USSR.

Some Soviet historians have argued that the USSR's involvement in the Pacific War was not opportunistic but rather anticipatory. This argument loses its credibility because of the timing of the Soviet entry into the war. Stalin ignored the fact that Japan accepted the Potsdam Declaration to end the war. The Soviet Army began its military operations in the Far East in August 1945—against Japan, which was already weak and nearly crushed in the course of a long and devastating war. The battle over Sakhalin and the Kurils was not as easy as it might seem. It resulted in many casualties for both the Japanese and the Soviets, and lasted until 25 August 1945. The Soviet victory ratified de facto the transfer of Sakhalin and the Kurils to the USSR.

The new territorial settlement, centering on the Kuril Islands, became a highly controversial, politicized, and strategically important issue in the aftermath of World War II. The Japanese maintained that the islands had always been an indivisible part of their homeland. They demanded the return of the islands, for they viewed the Soviet involvement in the Pacific as a violation of international law, and their acquisition of the islands as an act of aggression. However, the Soviets refused to return the territories to Japan, insisting that they had acquired the islands legitimately. By many accounts, the Kuril issue turned out to be “not a problem of Russia, but an inheritance of the war in which Japan participated on the side of Fascist Germany.”<sup>1</sup> This was also the position shared by the United States, which implicitly supported the USSR's acquisition of the territory during the early postwar era. The U.S. support, however, soon changed course.

As many historians have noted, the worsening of Japanese-Soviet relations reached its climax in the 1950s. In 1956, the Soviet Union, hoping to sign a peace treaty with Japan, offered the return of two islands, Shikotan and Habomai. If Japan had accepted the Soviets' offer, the two countries would have legally put an end to World War II as well as their historical deadlock over the Kuril Islands. Instead, due to U.S. involvement through the “Dulles Doctrine,” Japan continued to insist on the return of all four islands. Dulles warned that if Japan accepted the Soviet offer and signed the peace treaty with the USSR, the United States would keep its troops in Okinawa indefinitely. Thus, in 1956 Japan had little choice but to bypass this opportunity to normalize relations with the Soviet Union.<sup>2</sup>

The end of the Cold War reshaped the political and strategic makeup of the international arena. Strategic incitement of tensions in Japanese-Soviet relations became a lesser priority for the United States. Similarly, “new thinking” and perestroika began to restructure the Soviet society. However, as far as Japanese-Soviet relations were concerned, the foreign policies of both Japan and Russia were unable to bring the two countries closer together (excepting a few short periods of rapprochement in the mid-1990s). Because of the ongoing territorial controversy, the two countries have failed to reach a mutual understanding, establish normal diplomatic relations, and take full advantage of the potential benefits from cooperation. Moreover, Japan and

Russia are technically still at war; they failed to establish borders or to sign a peace treaty that would legally end World War II.

### **Current Japan-Russia Relations: The Challenges Ahead**

The Kuril issue is undoubtedly very complex, controversial, and emotionally charged in both Japan and Russia. The two countries are still struggling to establish fully normalized relations with one another as this dispute continues. While Japan and Russia are still formally at war, the issue of the Kuril Islands can hardly be removed from the two countries' foreign policy approaches vis-à-vis one another and will most likely continue to undermine their relations.

In order to assess the likelihood of successful settlement of the Kuril Islands dilemma, it is important to analyze the values this territory represents to both sides. This, in turn, will provide a better understanding of what could become the most important issue cementing a possible compromise between Japan and Russia.

#### ***The Kuril Dilemma: Values and Implications***

Historically, both Japan and the Soviet Union/Russia have attached intrinsic, political, strategic, and economic values to the islands. The following analysis, however, suggests that the territories' non-instrumental values, more than their material worth, have played a significant role in Japanese and Russian claims to these islands.

Hasegawa asserts, "What separated (Japan from the USSR) was not merely a difference in views on the territorial dispute, but also the more profound differences in historical memory about the war and the psychological needs to cling to the myths they had created."<sup>3</sup> Japan's position in the dispute, particularly in the post-Cold War era, is and has been that the Northern Territories represent high "intrinsic value" and are crucial to the recovery of the Japanese sense of national identity. It has become a highly politicized issue that affects Japan's entire policy toward Russia. It is hard to disagree with Hasegawa's notion that the role of memory and national myths in Japan's foreign policy also applies to its position vis-à-vis the former USSR. According to Hasegawa, "To Japan...the return of the Northern Territories represents the only remaining legacy of Pacific War and the Occupation to be removed before Japan will finally become a normal, independent state."<sup>4</sup>

During the Cold War era, Japanese and Soviet claims to the Kuril Islands were best explained by their strategic appeal. The Soviet Union greatly valued the geostrategic position of the four islands, namely their geographic proximity to Japan—a U.S. ally in Asia. They provided the Soviet military with an opportunity for securing its defense and military position in Asia.<sup>5</sup> Japan also maintained that the islands were strategically important to its defense posture (although it was generally recognized that the Kurils were of a greater strategic value to the United States). With the end of the Cold War, the strategic value of the Kuril Islands to either party significantly declined, particularly after the Soviet Union withdrew its military forces from the

islands.

Regarding the instrumental or material value of the disputed islands, this analysis suggests that this is an unlikely factor in either Japan's or Russia's territorial claim. Economically, the disputed islands have little, if any, effect on the welfare of either nation. They are small (constituting only about 1.33% of Japan's total territory) and largely undeveloped.<sup>6</sup> In fact, the Southern Kurils are in economic distress and require significant investment to revitalize their infrastructure. Additionally, there seems to be no significant potential for future discoveries of natural resources. According to Akaha and Murakami, although the four disputed islands have marginal amounts of lumber resources, tin, zinc, lead, copper, and nickel, their poor infrastructure makes exploitation of these resources costly and inefficient.<sup>7</sup> If the economic value of the four islands were central to Japan's or Russia's claim, these two nations might have settled on joint management and development of the disputed area. This, however, was not the case.

An overall analysis of values suggests that it is unlikely that Japan's acquisition or Russia's handing over of the disputed islands could significantly benefit these countries' welfare or security. Therefore, it is more practical to focus on the foregone opportunity costs that Japan and Russia continue to bear in various spheres of their cooperation. These opportunity costs of maintaining the impasse regarding the Kuril issue are quite high and hardly justifiable.

### ***Potential Bilateral Gains from Settlement of the Kuril Islands Issue***

Had there been no Kuril issue between Japan and Russia, the relations between these two countries likely would be normalized by now. Thus, the two countries would have signed a peace treaty, normalized diplomatic relations, and taken advantage of various benefits from economic, political, strategic, and cultural cooperation. Until recently a solution to the territorial dispute was a prerequisite for Japan's economic engagement with Russia (demonstrated in the approach termed *seikei fukabun*, or "non-separation of politics and economics"). As a result, Japan's involvement in the Russian economy was discouraged and limited.

In the absence of the Kuril issue, there would have been little to hinder Japan's economic involvement in Russia, and specifically the Far East. In return for foreign direct investment, Japan would have gained access to an abundance of cheap, high-quality raw materials and energy resources from the Far East as well as from Russian territories. Additionally, the "energy bridge" projects once proposed to transport energy resources, such as gas and oil, from southern Siberia and the Far East to Japan and Northeast Asia would now likely be completed. With a resolution of the dispute, economic assistance to and trade with Russia would have greatly benefited the Japanese economy.

Politically and strategically, in the absence of the ongoing territorial dispute, the two countries might have developed close relations with one another. Such a

relationship would support and encourage each other's strength in Asia, especially with China's rising status. The potential would also exist for Japan to improve its strategic and defense cooperation with Russia, including wide-ranged bilateral exchanges in the defense information technology industries.

Although many Japanese admire Russian culture, especially Russian classical literature and music, they have been unable to fully enjoy cultural exchanges or to express their appreciation openly to Russia and its people. If the Kuril controversy had not created a wall between the peoples of the Soviet Union/Russia and Japan, they would most likely have made greater progress to overcome the animosities and misperceptions that developed in the absence of their normalized relations. Likewise, they would have enjoyed more visa-free visits, cultural and educational exchanges, and other social, bilateral opportunities. It is undeniable that the unresolved Kuril issue has been a failure for both Soviet/Russian and Japanese foreign policy. Discounting the instrumental value of the disputed territory and focusing on highly controversial and political "moral" and "legal" issues has complicated the process for normalization of relations.

### *Implications of Domestic Politics on Japan-Russia Relations*

The claim to the islands is a highly politicized issue in both Japan and Russia. For example, the impact of domestic politics in Japan is such that over one hundred organizations (especially on the northern island of Hokkaido) are devoted to lobbying for the return of the islands. Every year on 7 February Japan celebrates its Northern Territories Day, reminding its citizens of the issue and the desire for the islands' return. Furthermore, many Japanese parties, with the exception of Liberal Democratic Party (LDP), demand the return of southern Sakhalin as well as the rest of the Kurils. Yet, it was the LDP that, according to Menon, made the issue "the litmus test for Japanese patriotism, resolve, and national honor."<sup>8</sup>

In Russia there has thus far been no concrete indication that Moscow is willing to put forward any political concessions to settle the dispute. This position is best described by former Russian Prime Minister Victor Chernomyrdin, who publicly declared the Kurils to be Russian "intrinsic" land and said that Russia had "no surplus territory" to give out.<sup>9</sup> However, Russian irredentism was, and continues to be, very strong in the Far East (particularly in the Sakhalin Province, which has administrative jurisdiction over the Kurils).

After adding the Kuril Islands to the USSR in 1945, the Soviet government decided to use this faraway, unpopulated area primarily for strategic and military purposes. Except for the fishing industry, the Soviet government did not provide for sufficient economic and infrastructure development of the Southern Kurils. As a result, Russia's "intrinsic" land is presently a very polluted, economically depressed, and underdeveloped territory. The Kurils' inhabitants experience a very harsh life with frequent food and electrical shortages. Nonetheless, the inhabitants of the Southern

Kurils continue to oppose the ceding of their islands to Japan, even if this measure would improve their quality of life and the economic conditions of the area.<sup>10</sup> For example, the mayor of the town of Kurilsk, Sergei Podolyan, welcomes Japan's continuing economic engagement, "cooperation," and humanitarian aid to the islands, yet pledges that "(a)s long as I am mayor of this island (Iturup), I am going to live on Russian land."<sup>11</sup>

It is apparent that regional authorities in the Far East often adhere to a separatist political posture that contradicts Moscow's official position. Furthermore, they seem to be less prone to compromise or negotiate about the return of the Kuril Islands. Thus, it is important to remember that Russia may not necessarily speak with one voice when negotiating the settlement for the Kuril dilemma. Additionally, policymakers, in their search for options leading to a feasible settlement aimed at the normalization of Japan-Russia relations, have to consider the linkage between local political and social developments with the foreign policy of each nation. Public opinion in Russia and Japan's regions is also an important factor. It has a significant impact on the sustainability of the territorial claim and hence must be taken into account by policymakers in both countries.

### *Options for Settlement of the Kuril Question*

Is there a feasible solution to the Kuril dispute that would be able to satisfy the governments of Japan and Russia as well as their respective publics? Will this compromise ever be achieved? Throughout the history of the Kuril issue, a variety of sources have suggested several possible solutions for settlement of the issue and normalization of Japan-Russia relations. The most popular approaches to settlement include:

*Return all for islands to Japan (Zero-sum solution: Japan gains, Russia loses):* This is the Ministry of Foreign Affairs' (MOFA) official position, actively communicated by former Foreign Minister Makiko Tanaka and strongly endorsed by the general public in Northern Japan. Considering Russia's firm opposition regarding this proposal, it is unlikely that there will be any progress in the near future if Japan continues demanding the return of all four islands without any willingness to compromise. Thus, the unconditional return of all four islands to Japan is the least feasible settlement scenario.

*"Three Plus One" formula (Japan's gains outweigh Russia's gains):* This proposal claims that the only "workable" compromise would involve Russia handing over three out of the four disputed islands, retaining only Iturup.<sup>12</sup> The premise is that, compared to the other three islands where the citizens seem to favor political and economic union with Japan, acute political and nationalist implications in the island of Iturup would make its return to Japan very difficult and unrealistic. For Shikotan, Habomai, and Kunashir, there is a question of how the return of these islands will affect the livelihood of about 8,000 inhabitants. Thus far, Japan has not proposed any

settlement concerning the Russian population on the disputed islands. It is unclear whether Japan will be willing to address the needs of the Russian population resulting from the return of the islands by either granting these people permanent residency or by compensating for their relocation to Russia's mainland. This factor alone makes the likelihood of this proposal very ambiguous, especially considering Russia's general opposition to the return of the disputed islands.

*“Two plus Two” formula, or a so-called two-track approach: (Partial gains for Japan; partial losses for Russia):* Based on the Soviet proposal of 1956, Japan would have to settle on the return of only two islands—Shikotan and the Habomais—and, upon their return, would sign a peace treaty with Russia. The bilateral negotiations concerning the fate of the other two islands would be postponed until sometime in the future. This may result in the complete avoidance of further territorial negotiations and, consequently, Japan's eventual abandonment of its claim to the rest of the islands. Nonetheless, this proposal, despite creating some political tensions among nationalist elements in both countries, has so far been the most feasible. It could provide groundwork for an interim solution to the territorial claims. It would partially satisfy the two nations' demands, thereby leading to the signing of a peace treaty and the normalization of Japan-Russia relations. Because of the center-periphery political controversy in Russia, and lack of political consensus on the settlement of the Kuril issue in Japan, this option is yet to be developed and set forward as the official bilateral settlement proposal.

*Joint economic development of the Southern Kuril Islands (“Win-win” situation):* This option was originally suggested during the Hashimoto-Yeltsin negotiations in the mid-1990s. It involves creating a trade block in the disputed area, and granting both parties equal economic privileges concerning economic management and exploitation of the territory. Japan also suggested incorporating the disputed islands into the Sea of Japan Economic Zone, thereby giving Russia privileged economic engagement beyond the disputed area.<sup>13</sup> This plan could stabilize the politically volatile North Asian region and could bring economic profits to Japanese and Russian businesses. In his report on the status of Russian-Japanese relations, Russian ambassador to Japan A. N. Panov suggested that “the most realistic solution to the territorial problem is the step-by-step approach, accompanied by building new-quality relations, including semi-cooperative, and solving the near-islands problems, namely their joint utilization.”<sup>14</sup> However, the increasing political tensions between Moscow and the Far Eastern authorities again jeopardized the feasibility of this proposal. Because the central and regional government in Russia failed to agree about distributional effects and legal concerns of the proposal, this option did not receive enough political support in either country and eventually was abandoned.

*Multilayered/package approach (Clear bilateral economic gains, yet no territorial settlement per se):* This strategy was similarly developed and proposed by the Russian side during the Hashimoto-Yeltsin talks in the mid-1990s. It suggested

that Japan and Russia would have to set aside the Kuril dispute with no time constraints. Instead, they would move to conclude a peace treaty and would focus on their cooperation in various sectors (especially economic, scientific, energy, and security issues). Negotiations on the issue would continue but in parallel with improvement of Japan-Russia relations, in turn creating plausible conditions for finding a compromise on the territorial issue.

Theoretically, the most feasible solution to the Kuril Dilemma may be derived from proposals leading to a win-win outcome, with as many mutual gains as possible (for example, the last three options). In reality, none of these proposals was able to pacify political tensions in regional politics, and instead incited public opinions in both countries. Similarly, they failed to create mutually acceptable and fully satisfying terms for the dispute settlement at the central government level. Thus, the search for a settlement option continues.

### **Japan-Russia Relations: Toward a Compromise**

President Vladimir Putin expressed his position vis-à-vis Japan during his meeting with then-Prime Minister Yoshiro Mori in early 2000, where he emphasized that the Kuril dispute was “one issue on which progress can be expected only slowly. ...Perseverance is the name of the game. Still, the territorial row shouldn’t be allowed to hamper expansion of ties between the two countries.”<sup>15</sup> Although the Kuril issue is central to Japan-Russia relations, it is not the only matter where the two countries could look for cooperation and mutual benefits. According to MOFA’s current official position, Japan’s policy toward Russia stresses the necessity of making “the utmost efforts to resolve the Northern Territories issue, thereby concluding a peace treaty and fully normalizing relations with Russia, and to provide appropriate assistance for the reform efforts of Russia.”<sup>16</sup>

During the most recent high-level meeting (on 25 March 2001 in Irkutsk) between Putin and Mori, both leaders agreed that the success of the negotiation depended on an atmosphere of mutual “confidence and cooperation.” Meanwhile, they decided to focus on prioritizing their cooperation in such fields as strategic cooperation, energy, transport, fishery, and joint space projects. However, the predictions for a quick solution to the Kuril issue in the near future are less than optimistic. As Bladov suggests, “While neither Moscow nor Tokyo offers any major concessions, there is hardly any chance to resolve the row any time soon.”<sup>17</sup>

Nonetheless, compared to the successful mid-1990s negotiations between Prime Minister Ryutaro Hashimoto and President Boris Yeltsin, the most recent meetings between the leaders of Japan and Russia did not result in significant improvements in the two countries’ relations. Despite Japan’s attempts to settle the territorial dispute by courting the Russian islanders and persuading Russia to revert to the 1956 Joint Agreement, Russia does not seem to display much enthusiasm toward the handover of the two islands any time soon.<sup>18</sup> In addition to the difference in approach to the

solution, continuous domestic pressures and nationalist sentiments in both Japan and Russia have brought about further cooling in their bilateral relations. On these grounds, the series of official talks between Japan and Russia, including the November 2001 vice-ministerial level talks in Tokyo, failed to bring any significant progress for the normalization of relations.

Today it is clear that reaching a compromise and resolving the Kuril territorial dispute will definitely benefit both Russia and Japan economically, politically, and strategically. The solution to the Kuril issue and the likelihood for the conclusion of a peace treaty will continue to meet obstacles in both nations for the near future. The governments of Russia and Japan seem to understand that their ongoing stalemate is a result of political tensions born during the Cold War, but which no longer hold true. It is vital that the two governments continue to focus on the potential benefits from improved relations and not allow other foreign policy goals and their history of mutual distrust to outweigh the pressing need to normalize relations.

Presently, however, there is very little hope that Japan and Russia will be able to succeed in solving their territorial dilemma. The Kuril Issue is undoubtedly very complex, controversial, and emotionally charged in both Japan and Russia. This continuing situation not only has negative implications on Japan-Russia bilateral relations in various areas, but it also diminishes political stability in the whole of Asia.

As the near future offers very little optimism for the drastic improvement of the relations between Japan and Russia, it will take time to improve understanding between the Russian and Japanese peoples. Likewise, it will certainly take time for the two nations to grasp the mutual benefits on which they would both be able to continue building a healthier relationship, while continuing to seek an acceptable solution to their territorial contention. This new century, however, should be the time for the two countries to overcome their historic differences and, instead of looking backward, to redirect their policies toward each other in a more harmonious manner of cooperation, rapprochement, and mutual understanding. It is time for Japan and Russia to move beyond the Kuril Issue and, while continuing their search for a mutually acceptable solution to their territorial dispute, to begin building a constructive dialogue for economic, strategic, and political cooperation.

#### NOTES

<sup>1</sup> *New Times*, No. 21, May 1992, p.24.

<sup>2</sup> Tsuyoshi Hasegawa, *The Northern Territories Dispute and Russo-Japanese Relations. Volume 1: Between War and Peace 1697-1985* (Berkeley: University of California, 1998), 286. Also, see Tsuyoshi Hasegawa, "Japanese Perceptions of the Soviet Union and Russia" in Gilbert Rozman, ed., *Japan and Russia: The Torturous Path To Normalization, 1949-1999* (New York: St. Martin Press, 2000), 294.

<sup>3</sup> *Ibid.*, 9.

<sup>4</sup> *Ibid.*, 141.

<sup>5</sup> In 1988, according to Japanese Defense Agency findings, the USSR stationed 40 MIG-23s and 10,000 troops on the islands (See A. Mack and M. O'Hare, "Moscow-Tokyo and the Northern Territories Dispute," *Asian Survey* 30 (1990): 380-394).

<sup>6</sup> According to Hiroshi Kimura ("Islands Apart," *Look Japan*, February 2001, 13), the population of the disputed islands is currently about 16,500 people, but before the 1994 earthquake, there were about 25,400 people. (Russell Working, however, provides different information about the size of the Southern Kurils population. In his most recent article, "The Last Resort," *Japan: People, Power, and Opinion* 1 (October-November 2001): 106, he claims there are 7,800 residents currently living in "the Southern Kurils.") Concerning the ethnic makeup of the islands' population, the vast majority of the islanders are, in Kimura's words, "ethnic Russians" (the term of "ethnic Russians" refers to Russian citizens who are also Russian by birth). Furthermore, the data published in the official web site of the Bureau of Statistics of Sakhalin Region suggests that there are currently no "Japanese" or "indigenous" people residing in the disputed islands.

<sup>7</sup> Akaha and Murakami, however, emphasize that the real economic value of the islands lies in the surrounding maritime area of about 196,000 sq. km, which is very rich in commercially valuable fish as well as in exploitable metals and mineral deposits. (T. Akaha and T. Murakami, "Soviet/Russian-Japanese Economic Relations," in Tsuyoshi Hasegawa, et al., eds., *Russia and Japan: An Unresolved Dilemma Between Distant Neighbors* (Berkeley: University of California Press, 1993), 168-9.

<sup>8</sup> Rajan Menon, "Prospects for Improving Relations," in Jo Dee Catlin Jacob, ed., *Beyond the Hoppo Ryodo* (Washington, DC: AIE Press, 1991), 14.

<sup>9</sup> Russell Working, "For Kurils Japan is Just a Nice Place To Visit," *Vladivostok News*, 24 November 1998, online at <http://vn.vladnews.ru/1998/iss180/focus.html>.

<sup>10</sup> Joseph Ferguson, "Back To the Drawing Board?" *Comparative Connections*, CSIS Pacific Forum, October 2000, online at [http://www.csis.org/pacfor/cc/003Qjapan\\_rus.html](http://www.csis.org/pacfor/cc/003Qjapan_rus.html). 8 December 2000.

<sup>11</sup> Working, "For Kurils Japan is Just a Nice Place To Visit."

<sup>12</sup> This option was strongly suggested and advocated by Ferguson and supported by his academic adviser, Georgy Kunadze.

<sup>13</sup> On this proposal and the Kuril Islands detailed value analysis, see Masato Kimura and David A. Welch, "Specifying 'Interests': Japan's Claim to the Northern Territories and Its Implications for International Relations Theory," *International Studies Quarterly* 42, no. 2 (1998): 213-43.

<sup>14</sup> A.N. Panov, "Success Or Stalemate? Russia-Japan: Lessons From Developments in Their Relations During the Past Three Years," *Nezavisimaya Gazeta (Independent Newspaper)*, 18 May 2000. (Title and the quotation translated from Russian by author.)

<sup>15</sup> "Dispute Over Isles Still Simmering," *The Nikkei Weekly*, 11 September 2000.

<sup>16</sup> Japan-Russia Foreign Policy Guidelines can be found at MOFA's official website (see "Japan's Policy on the Russian Federation," [http://www.mofa.go.jp/region/europe/russia/russia\\_policy.html](http://www.mofa.go.jp/region/europe/russia/russia_policy.html)). Russia's policy goals towards Japan can be found in the website of the Russian Embassy in the United States, <http://www.russianembassy.org/NEWS/Reports/concept.htm>.

<sup>17</sup> Sergei Bladov, "Japan, Russia achieve harmony – if little else," *Asia Times Online*, 27 March 2001, at <http://atimes.com/japan-econ/CC27Dh02.html#top>.

<sup>18</sup> See the article by Working, “For Kurils Japan is Just a Nice Place to Visit,” in which he discussed Japan’s various attempts to win over and “woo the islanders” from the disputed territories. This strategy, however, does not seem to be working well, at least for the older generation of the Russian islanders. (Working, “The Last Resort,” 108-110).

