

How To Deal With Russia

(Cultural Internationalism Rather Than Territorial Dispute)

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Introduction

Considering relations with Russia, it appears to be imperative among the Japanese people to raise the question of the Northern Territories, which comprises the islands of Habomai, Shikotan, Kunashiri and Etorofu. It is because the issue is perceived by the Japanese people as the apparent act of unprovoked aggression initiated during the final stages of World War II by Russian's illegal and perfidious attack on the Chishima Islands with a sudden shift from relations of friendship to enmity. Japan was actually courting the Union of Soviet Socialist Republics (USSR) to perform as an intermediary for the armistice with the Allied Forces.

Russian's sudden attack unilaterally abrogating the Soviet-Japanese Neutrality Pact concluded in April, 1941 was baffling for the Japanese government, and aroused the impression to the Japanese that they were duped to the committing to the agreement. The agreement specified mutual respect of territorial integrity and inviolability as well as neutrality should one of the contracting parties become the object of hostilities of any third party (Slavinsky 1996: 129). The Soviet attack no doubt was executed within the validity period of the pact and after the Japanese notification of accepting the Potsdam Declaration on August 15, 1945, and even continued after concluding the armistice on the Battleship Missouri on September 2, 1945 (Iokibe, Hatano 2015: 311). The concept, advocated by the government, of "inherent" Japanese Northern Territories helped foment the idea of the so called "residual" legal rights to the four islands in the Japanese public psyche. Within Japan this contention has hung upon their mind, and created a resilience of the belief that the islands would eventually be returned as they commonly thought of as primordial Japanese land.

Whatever the Japanese conception is about their Northern Territories as their legitimate land, the four islands are now under Russian control. It is the author's intention to elaborate on how the problem of the Northern Territories was brought up particularly during the Cold War and how the dispute should be approached in order to reach a resolution. It is the author's strong proposal that the issue should not only concentrate on the reversion of the islands, but perform a sort of countenance to the argument of a more cultural bound accomplishment. That is to drive the

direction of the issue toward allowing the current Russian and former Japanese residents and to their descendants to more freely visit and even live on the islands. The obsessive geopolitical policy adhering to the intransigent territory recovery leads to perilous relations, and will not lead to a mutually satisfactory outcome.

History of Territorial Issues

Both Russia and Japan recognize the historical roots of the dispute as an outcome of territorial aggrandizement in the 18th and 19th centuries (Zagorsky 1999: 338). They performed concurrent colonization of substantial tracts of land populated by Ainu, who are indigenous people of Hokkaido, northeastern Honshu, Sakhalin, Kuril Islands, and the Kamchatka Peninsula. In 1798 the Tokugawa Bakufu (feudal military government) sent an expedition team, and set up an inscription on the island of Etorofu stating “Dai Nippon Etorofu” claiming the island as a part of Japanese territory, consequently demarcating the boundary line with Russia between Etorofu and Urup (Brown 2016:14). Thus, Japan’s substantive precedence in discovering and developing the four islands seems indisputable. This has facilitated a Japanese strong cognitive, moral and historical basis for its claim asserting as an inherent right defining as the Northern Territories.

As the background of this territorial dispute after World War II, there was a difference of policy between the United States (US) and Great Britain in preparation for a peace treaty with Japan. The British policy alleged that South Sakhalin and Kuril should be transferred to the USSR as being arranged at the Yalta Conference. In 1951, the March draft of the US was presented in the Anglo-American Conference for preparing for a peace treaty with Japan. They proposed that South Sakhalin and Kuril would be USSR territories, but the USSR’s participation in the peace treaty conference was the condition. On the other hand, the British April draft put the issue in context and showed that Habomai and Shikotan would be a Japanese territory and Kuril and South Sakhalin would be transferred to the USSR without condition (Wikiesource 1947).

On June 5, 1951, an Anglo-American Meeting for Japanese Peace Treaty was conducted. Hither, the US Secretary of State John Foster Dulles proposed that in the San Francisco Peace Treaty, only Japanese abandonment of the Kuril Islands and South Sakhalin should be stipulated and not to whom these were to belong (Iokibe, Chugrov 2015: 442). The USSR formulated their response carefully stating that if it was the case, they would not take part in the San Francisco Peace Treaty. The US preoccupation at that time was to try to avoid any US-USSR conflict, and they tried to achieve this by not letting the USSR participate in the San Francisco Conference. The conference was carried out as planned by the US, apart from the unexpected participation of the USSR. The

USSR participated in the conference but did not sign the peace treaty as there was no statement in the treaty about to which country the abandoned Kuril and South Sakhalin were going to belong (Iokibe, Chugrov 2015: 440). This lack of clarity to which entity the Kuril would be transferred has led to the current territorial problem. To make the USSR further irritated, on the day of signing the peace treaty on September 8, 1951, the Security Treaty between the US and Japan was concluded.

While concluding the Peace Treaty and the security pact with the US, Japan conducted negotiations with the USSR for the peace treaty during the period from June 3, 1955 through March 20, 1956 twenty-three times. The main negotiator for Japan was Ambassador Extraordinary and Plenipotentiary Shunichi Matsumoto, and the one for the USSR was Ambassador Yakov Malik. The negotiations were quite successful for Japan in all but one thing. They resolved all the subjects, including prisoners of war detained in the USSR, Japan's admission to the United Nations, maritime fishing rights and commercial navigations in the Sea of Okhotsk, but not for the title of the asserting of control of the Northern Territories.

As for this crucial issue, Japan's position during the negotiation was that all four islands: Habomai, Shikotan, Kunashiri, and Etorofu were to be returned to Japan, and North Kuril and South Sakhalin were to be determined by the relevant international countries. The USSR position, on the other hand, was that Kuril and South Sakhalin were to be handed to the USSR, and Habomai and Shikotan were to be transferred to Japan as a favorable consideration by the USSR with the condition that no Japanese or American military base to be installed in the islands (Iokibe, Chugrov 2015: 447).

In the first round official meeting in Moscow between July and August 1956, Foreign Minister Shigemitsu and Ambassador Matsumoto negotiated with Prime Minister Bulganin and Foreign Minister Syupirov. In the meeting, Shigemitsu was cautious and stridently sticking to the basic Japanese policy of gaining the four islands in a bundle, but in latter stage, his attitude was shifted to more likely to accept the full USSR proposal, which was to recover only Habomai and Shikotan. This discernible shift provoked the ire of the US. Frowned on such an apparent levity, on August 19 1956, the Secretary of State John Foster Dulles warned Japan stating that to accept the USSR proposal meant Japan recognized more than what had been agreed in the San Francisco Peace Treaty. If it were to happen, Dulles said, Article 26 of the peace treaty would be affected and the US would demand the acquisition of Okinawa (Brown 2016: 21). For the US, Japanese full acceptance of the USSR proposal could no account be consented to as this could lead to a close relationship between the two powers, which had to be prevented by all means in the midst of intense Cold War relations.

Following what purported to be the Dulles intimidation, on September 7, 1956, the US announced an Aide-Memoire stating "The United States has reached the conclusion after careful

examination of the historical facts that the islands of Etorofu and Kunashiri (along with the Habomai Islands and Shikotan which are a part of Hokkaido) have always been part of Japan proper and should in justice be acknowledged as under Japanese sovereignty. The United States would regard Soviet agreement to this effect as a positive contribution to the reduction of tension in the Far East.” (Iokibe, Strel'tsov 2015: 654). Thus these so called “Japanese inherent territories” were grown up within Japanese public. Being held at bay by the Dulles warning, one month after the aid memorandum, on October 19, 1956, Prime Minister Hatoyama announced with Prime Minister Khrushchev a Joint Declaration in Moscow. It elaborates that mutual diplomatic relations are to be recovered and the peace treaty negotiations will be continued, and when the treaty was to be concluded, Habomai and Shikotan would be returned to Japan. Here, there is no reference to the territories of Kunashiri, and Etorofu coveted by Japan.

Since concluding the Joint Declaration, Japan and Russia have sought a normalization of their relations to be consummated to both powers' satisfaction. Three periods of active effort from the Russian side can be distinguished. The initiative occurred in the late Gorbachev era, with its climax in the summit meeting between Soviet President Mikhail Gorbachev and Prime Minister Toshiki Kaifu in 1991. The second was initiated after the collapse of the USSR in 1991 and the emergence of a democratic Russian statehood. Briefly jeopardized by the sudden postponement of President Boris Yeltsin' visit to Tokyo in September 1992, the efforts brought a Yeltsin's visit to Tokyo in October 1993. Hither, the Tokyo Declaration was announced. In this declaration both sides agreed to settle the problem on the basis of the principles of law and justice. Nevertheless, the ennobled declaration appeared to be more like a pretext of demonstrating mutual cooperation rather than vowing for a realistic formula for a solution.

The third period started with the nomination of Yevgeny Primakov as Foreign Minister in January 1996. This time Russia's approach changed from an intransigent status quo policy to clear calls for the revision of the clause of the 1993 Tokyo Declaration. In November 1996, Primakov proposed discussion of a joint economic development of the southern Kuril instead of only negotiating about despaired sovereignty issue (Zagorosky 1999: 343). It was a great step as this kind of approach was hardly tolerable under the Gorbachev administration in the Soviet regime.

To this initiative, Japanese side did not reply with a flippant retort. Prime Minister Ryutaro Hashimoto responded at the Keizai Doyukai (Association of Corporate Executives) meeting on 24 July 1997 by dubbing 'Hashimoto Doctrine' (Iokibe, Panov 2015: 575). By this doctrine, Mr. Hashimoto pledged to base future relations with Russia deferring to three refined principles, which are mutual trust, mutual welfare, and a long-term perspective to make a strong base for the 21st century. His new policy was abetted by Russian policy makers by two major points, which were telling apart

from the Japanese traditional approach.

Firstly, the territorial dispute should be discussed calmly, not to distort the long range perspective, and secondly a call for enhanced cooperation to develop energy resources in Siberia and the Russian Far East. These were sure signs of concurrence to the Russians, and the pithy initiation paved the way for two informal meetings between the Japanese and Russian leaders. In November 1997 in Krasnoyarsk, and in April 1998 in Kawana. The corollary was the formal visit to Moscow by Prime Minister Obuchi in November 1998.

Under the initiatives by the top leaders, the Japanese were economical in their movement and effort. In 1999 by exchanging “Memorandum of Visit of Promoting Russo-Japanese Defense Exchange”, Japan accepted cooperation in security affairs and exchanges of visits by top figures of the two countries’ defense agencies (Iokibe, Panov 2015: 584). In addition, rather a kind of appalling Japanese movement was opening a branch of its Vladivostok consulate-general at Yuzhno-Sakhalinsk in 2001 (Zagorsky 1999: 343). It was a proactive move disobeying all the traditional interpretation of sovereignty as Japan had never legally recognized the unilateral Soviet acquisition of southern Sakhalin and the Kuril Islands.

Discussing the territorial issues, the legal aspect of the four islands should never be asked lightly as it does not serve the situation. Russia seldom hesitates to seize assertion that they have an entire right over the Kurils since its wartime allies had agreed, at Yalta in February 1945, to transfer the islands to the USSR. The sovereignty over the islands was considered by Russia as being fetched to them as an outcome of World War II. There may be a grain of truth in the assertion. Nevertheless, the assertion cannot be acquiesced since the USSR’s adherence to the 1941 Atlantic Charter in 1943 deprives her legal basis for their titles. Their occupation of the four islands demonstrates a blatant infraction of the Atlantic Charter, with its principle stating to refrain from any territorial aggrandizement (Zagorsky 1999: 338).

To make the legal aspect incredibly intricate, Japan renounced any claim or title to the Kurils in the San Francisco Peace Treaty of 1951, and Kunashiri, and Etorofu are normally interpreted as a part of the southern Kurils (United Nations 1952: 48). Moreover, the USSR was not a party to the treaty, which technically means as a non-signatory they would not be conferred any rights or titles from Japan derived from the San Francisco Peace Treaty.

Outcome Of World War II

It was the USSR’s and is now Russia’s intransigent position that they have sovereignty of the four islands from the outcome of the World War II. They consider that the USSR declared war

against Japan complying with the request of the Allied Powers, and the USSR declaration of war against Japan was a key factor to bring the war to an end. For Russians, submitting to return the four islands gives the impression of denigrating the achievement of their forebears and affront their sacrifice in the war. For Russians, transferring the islands accentuates even as rewriting the result of World War II, and it can never be a viable option. Perplexed in the extreme, it will provoke a public backlash within the country (Brown 2016: 27). The following is the historical background and facts in relation to this Russian's inviolable conception.

1. Historical Facts

- April 13, 1941: Conclusion of Japan-the USSR Nuclear Pact
- Autumn 1943: The US requested the USSR to join the war against Japan
- November 28, 1943: In Teheran Meeting, Stalin demanded Roosevelt and Churchill transfer Sakhalin and Kuril Islands in return for joining the war against Japan.
- February 11, 1945: Yalta Agreement
Stalin replied to Roosevelt and Churchill that the USSR would declare war against Japan in two to three months after Germany's defeat. With this condition, Stalin's demand of transferring the Kuril Islands to the USSR was accepted by Roosevelt and Churchill (Iokibe, Kravtsevich 2015: 350).
- April 5, 1945: Foreign Minister Molotov advised Ambassador Sato to refrain from the renewal of the Soviet-Japanese Neutrality Pact which would terminate in April, 1946.
- June 7, 1945: After the meeting with Prime Minister Hirota in Tokyo, Ambassador Malik sent the following telegram to the Foreign People's Commission in Moscow regarding revision of the neutrality pact with Japan.
The utmost compromise that Japan could offer to the revision of the neutrality pact is the:
- 1) Return of South Sakhalin to the USSR
 - 2) Abandonment of Japanese fishing rights in the USSR maritime area
- *The beneficiary change to the USSR for Manchuria, Korea, Kwantung Leased Territory and North China is not to be realized unless Japan is totally defeated and unconditional surrender is made (Slavinsky 1995: 397).
- June 26, 1945: At the Expansion Meeting in the USSR, the occupation of Hokkaido was discussed.
- July 26, 1945: Announcement of the Potsdam Declaration
- July 28, 1945: Prime Minister Suzuki announced the "neglect" of Potsdam Declaration

- July 28, 1945: Stalin ordered preparation for an attack to the Japanese Kwantung Army in Manchuria.
- August 8, 1945: Foreign Minister Molotov advised Ambassador Sato that the USSR would be in a status of belligerency with Japan as of the date of August 9.
- August 14, 1945: Japanese government advised the Allied Powers that Japan would accept the Potsdam Declaration.
- August 15, 1945: Truman sent the “General Order No. 1” telegram to Stalin.
Stalin proposed that all forces north of the Rumoi-Kushiro line in Hokkaido be surrendered to the USSR. Truman rejected the USSR occupation of the northerly part of Hokkaido, and demanded facilitating a US military base in the Kurils.
- August 18, 1945: The Soviet 2nd Far East Red Army landed on Senshu Island in Kuril, and fought with Japanese military units. Stalin’s request was sent to Truman for the occupation of the northern half of Hokkaido.
- August 25, 1945: Stalin’s request was rejected by Truman in exchange for abandoning the American request of military bases in the Kurils (Hasegawa 1998: 63)
- September 2, 1945: Armistice on the Battleship Missouri
*Russia considers that the war with Japan ended with the Japanese surrender on September 2, and the Kuril is the territory acquired with the fight before the Japanese surrender. However, the attack of Habomai started on September 3. It was reported that by the campaign of the Red Army against the Japanese army in Manchuria, Korea, Sakhalin and the Kurils, there were 12,000 Russian soldiers killed whereas the number of Japanese deaths was 84,000 (Brown 2016: 25).

2. Japanese Aggressive Practices and Non-conditional Surrender

Stalin spoke for Russian publics on September 2, 1945 in Moscow purporting Japanese malice effusively, “In the past Japan had made the validity of various agreements as non-effective by executing unilateral invading actions like Russo-Japanese War and Siberia Expedition. It was only through Soviet participation in the defeat of Japan in 1945 that the black stain upon our country left by the defeat of 1905 was finally expunged and the persistent menace of Japanese invasion in the East was permanently extinguished. Therefore, the Japanese right of executing the Sakhalin and Kuril Exchange Agreement of 1875 and Portsmouth Agreement of 1905 became invalid” (Brown 2016: 16). It appears to be that the Stalin’s speech threw Russian public into paroxysms of rage. Later on, he continued to make slanderous accusations that Japan concluded the San Francisco Peace Treaty abandoning territorial rights to Sakhalin and the Kuril Islands.

It is Russian leaders' assessment that during the negotiation reaching for the USSR-Japan Joint Declaration, Japan neglected the USSR's favorable proposal of reverting custodianship of Habomai and Shikotan when the peace treaty was concluded. In summation, Russia's defeat, blunder in Russo-Japanese War, and their retribution for Japan's aggression as well as their own valiant defensive actions have been fed as propitious arguments to legitimize their attack against Japan in August 1945. In addition, it also is the Russian's general perspective that the Japanese conclusion of the Revised Security Treaty with the US in 1960 augurs a clear intention of hostile attitude toward the USSR. Being impatient with the revised treaty, Russian Foreign Ministry immediately handed over the memorandum to the Ambassador Kadowaki in Moscow. It stated that since the newly exchanged treaty allowed to continue the foreign military powers to be deployed in Japan, the USSR was the position of unable to transfer Habomai and Shikotan to Japan (Iokibe, Strel'tsov 2015: 656).

Strategic Importance of The Region

The USSR tried to prevent the installation of the military base of the US in the Sea of Okhotsk as have been shown in Stalin's rejection of facilitating American base in Kuril at the end of the Pacific War. Russia is now concerned with the maritime area around the Northern Territories considering it as an important security sea lane and a defense point against the US. Stretching from Kamchatka to Hokkaido, the Kuril Islands create a physical barrier between the North Pacific and the Sea of Okhotsk, and the four islands are considered to be a part of the strategic chain.

As Tsuyoshi Hasegawa explains, under Japanese occupation through the Pacific War, the Kuril could cut off Kamchatka from the strategic areas centered in Vladivostok and Khabarovsk by limiting the access of Russian ships in Vladivostok, which is the headquarters of the Pacific Fleet, to the Pacific Ocean (Hasegawa 1998: 7). The specialists highlight that although the total number of islands in the Kuril chain is fifty-six, there are only five channels which have sufficient depth and width to make for ideal points of access for surface ships and submarines. Three of these are in the northern half of the chain, but two are close proximity to the disputed islands. The first of these is between Urup and Etorofu, and the second is between Etorofu and Kunashiri. This means that Russian submarines can exit from the Sea of Okhotsk to the Pacific without detection, and more importantly Russia is in a position to restrict access to the Sea of Okhotsk by other powers (Brown 2016: 72). The circumstances explain that Russians are uneasy for any possibility of building Japanese or American military base in the four islands.

With this security background and conditions, Russia is now reinforcing her military capacity

in the Pacific, which was once reduced after the Cold War. The following is an account of the Russian development through the Cold War and to the most recent period in relation to the military building up in the Kuril Islands.

- 1977: During the cold war, the USSR stationed garrison troops of one division of 10,000 deployments in Kuril.
- February, 1992: Foreign Minister Kozyrev announced a 30% reduction of the Russian military force in Kuril making it a 7,000 deployment.
- March, 1996: Foreign Minister Primakov announced in Japan that the Russian force in the four islands was reduced to 3,500 (Shimotomai 2000: 144).
- April, 2013: At the summit meeting, establishment of 2 plus 2 meeting for foreign and defense ministers was agreed, which is the third partnership for Japan next to the US and Australia (Iokibe, Kwaraji 2015: 598).
- September, 2014: Russia opened a new airport with 2,300-meter runway in Etorofu for both civilian and military use.
- 2016: The four islands including Habomai were garrisoned by Russian 3,500 force, which was the 18th Artillery and Machine Gun Division 6 (No Russian civilian lives on Habomai) (Sasakawa USA: 80).
Russia completed installation of surface-to-ship missile in Etorofu and Kunashiri (Asahi Shinbun 2017b).
- February, 2017: Defense Minister Shoig announced that Russia would allocate additional one division of troops to Kuril Islands including the Northern Territories within the year, though he did not designate on which islands they are going to be stationed. This is the one of the four divisions that Russia is proceeding to deploy in the year within the country (The Diplomat 2017).
- March, 2017: In the two plus two meeting, Japan informed regret of Russian decision of deploying one division of soldiers in the Northern Territories and in the Kuril Islands (Yomiuri Shinbun 2017d).
- December, 2017: Russia announced a plan of installing surface-to-ship missile in the islands of Paramushir and Matsua in the Kuril Islands against the Japanese plan of Aegis Ashore plan in Akita and Yamaguchi (Asahi Shinbun 2017b).

Japan-Russia Economic Relations to Date

There are historical background and conditions of the Russian interest of diversifying their economic activities. During the Cold War, however, trade with Japan remained limited and severely circumscribed because not only did the USSR not have any infrastructure to export oil and petrol to its Asian neighbors, but foreign investment in the Russian Far East was also bleak and nearly unimaginable. Many areas in the Far East of the USSR were developed as military outposts against the US and its Asian allies as well as China. By the early 1990s, the bilateral relations with Japan were driven principally by the regional players in the Russian Far East, as Moscow's political and economic control over the area was sporadic and weak. Major participants in the local economy were opportunistic local business groups including mafias. Naturally the business activities in the area were quite involved, precarious and riddled with economic and societal problems. With Moscow's connivance, activities such as smuggling, illegal fishing, and duty-free imports of used Japanese automobiles were reverberated (Sasakawa USA 2016: 112).

It was not until the breakup of the USSR and the emersion of the Russian Federation in December 1991 that many restrictions on bilateral cooperation between Japan and Russia were alleviated or eliminated. Towards the end of the 1990s, the relations became more formally structured. Subsequently, the election of Vladimir Putin as a president in 2000, the central government came to be well informed about the Russian Far East economy, and the control over the region was gradually restored. Former mafia clans transformed themselves into normal companies, and gang leaders were coopted into the political elite precipitately with their influence in the economy unabated in the process. As the restructuring was promoted by subsuming these bodies in the Russian Far East, the economy in the region was enlivened and diversified. When the economic policy was to mature, Russo-Japanese bilateral trade between 1998 and 2014 has expanded dramatically - as much as seven times - reaching a total volume of \$30.8 billion in 2014 (Sasakawa USA 2016: 102).

A couple important observations can be queried and recounted about this period. First, the volume of trade started to pick up in 2003 and was constantly rising, except for the brief period of decline in 2009, due to the effects of the global financial crisis and oil price collapse. Second, there are two periods when the trade balance was in favor of Japan: 2004 through 2009 and 2011 to 2012. Since 2012, however, there was a rise in Russia's exports to Japan from \$15.59 to \$19.88 billion in 2014 matched by a decline in Japanese exports to Russia from \$15.68 billion to \$10.92 billion in 2014 (Sasakawa USA 2016: 117). This surge in Russia's export volume to Japan starting from 2012 can be dissected by staring the two big projects. Foremost, a liquefied natural gas (LNG) plant on Sakhalin

Island started up. This is a serendipitous project for both nations in which the Russian gas monopoly Gazprom is a controlling shareholder of 51%, and the Japanese firms Mitsui and Mitsubishi take the minority percentage. The second project is the operation of the Eastern Siberia-Pacific Ocean (ESPO) oil pipeline started in December 2012, with the port of Kozmino as a base for the export of Eastern Siberian oil to Asian-Pacific markets (Sasakawa USA 2016: 102).

The launch of these two large projects is expedient to Russia to become an important supplier of oil and gas to Japan. As a result of the projects, Japan relied on Russia for 8% of its oil and LNG imports in 2014. Another consequence of the two projects is the apparent reinforcement of the trade structure between the two countries, in which Japan is a home of sophisticated exports and Russia is a mineral commodity exporter. For example, mineral fuels comprised 86.4 percent of Russian exports to Japan in 2013 (Sasakawa USA 2016: 115). The fact is self-explanatory that the bilateral trade provided impeccably complementary economic effects to each country.

The negative dynamics came to be more evident in 2015 with the volume of bilateral trade of \$20.8 billion, which is a decrease of 35% from the year of 2014 (Sasakawa USA 2016: 102). The downward and tarnishing figures can be explained by two factors. First, the 30% drop in Russia's exports is bemoaned for the 20% monetary volume decline due to the oil price drop in spite of the physical volume increase to Japan in 2015 by ten percent. Secondly, there has been a dramatic drop of Russian imports from Japan attributed to the economic turbulence in Russia and ruble devaluation which were also caused by the precipitous oil price fall. The ruble actually has lost more than 50 percent of its value since March 2014 (Sasakawa USA 2016: 118). The ongoing ruble volatility had a hand in the ability of Russian firms and households to buy expensive imported goods including from Japan. In addition, the Western economic sanctions started in July 2014 perpetuated oppression in the overall Russian economy as well.

It is in this exacerbating and forlorn prospect of Russian economy that the Russian government, particularly under the Putin administration, agonizes over diversifying their economy. It is a fact that considering the enormous potential with Japan with sufficient and precious economic heft as the world's third-largest economy, the total investment from Japan to Russia in June 2013 was \$10.5 billion, which was the tenth among the investing countries. Moreover, most of their investment was directed to the oil mining and refinery (Iokibe, Kazakov, Kistanov, Strel'tsov 2015: 618). With this relatively low and biased investment from Japan, Russia now has come to court Japan for more intense investment to their Far East and to the joint economic activities in the Northern Territories. Looking at Japanese economic allure, the economic cooperation with Japan is a key factor for them to revive its dilapidated economy.

While the ostensible movement of the Japanese passive attitude to economic investment in

Russia is to be ascribed to the downright territorial dispute, the Japanese economic leaders appeared outwardly calm and judicious focusing rather an unattractive investment climate and poor quality of infrastructure for dissuading investment in Russia (Brown 2016: 42). Thus, improving Russian's paucity of infrastructure is becoming the motivation and lure for both Russian and Japanese sides for initiating the joint activities. Therefore, from the economic approach, the Northern Territories dispute has dissimilar aspect, bearing little relation to become an obstacle for investment for Japanese companies.

Japan-Russia Economic Cooperation

Regarding Japan-Russia economic cooperation, there is an "Eight Point Economic Cooperation Plan" for the Russian Far East and "Joint Economic Activities" for the Northern Territories. When Mr. Abe visited Sochi in May 2016 for a summit meeting with Mr. Putin, he offered an unconventional Eight Point Economic Cooperation Plan for Russia Far East. The immediate allure of this task is the Japanese assistance of a ¥1 trillion economic cooperation deal (The Japan Times News 2016b). The envisioned program covers 41 items, chiefly conducive to infrastructure construction, resource growth and improvement in the quality of aliveness in the Russian Far East and Siberia.

Among the proposed items, the improvement of three Far Eastern ports such as Vladivostok, Zarubino and Vostochny is included (The Japan Times News 2016b). Also at the meeting with Mr. Putin in Moscow in April 2017, Mr. Abe agreed the formation of a medical center in Khabarovsk, which was tentatively named "Japan-Russia Preventive Medical Diagnosis Center" (The Japan Times 2017). An average life expectancy in Russia is 69 years old, which is substantially lower than Japanese 84 years old, and the Russians may well be highly interested in Japanese support in the health care industry.

From the Russian part, in October 2016, they have drummed up 68-point list of Japan's support for diversifying their economic development (The Japan Times News 2016c). Some of these bloated proposals appear to be too fanciful and politically sensitive such as developing areas near the Crimean Peninsula that Russia annexed from Ukraine. As a more realistic and demanding project, in the agricultural and fisheries sector, Russia has requested Japanese cooperation to set up a wholesale and distribution center and to build infrastructure for transportation in the Russian Far East to promote exports of their agricultural products to Japan (The Japan Times News 2016c).

Additional projects that Russia is hoping for Japanese cooperation on are building energy pipelines, and the Trans-Siberian Railway reaching to Hokkaido traversing the Strait of Tartary and

Soya Strait. These are bilateral national projects, and Russia is encouraging Japan for robust promotion of the projects referring more positive way of Chinese investment in the Far East (Asahi Shinbun 2017a).

For energy cooperation, there is a ¥600 billion program to construct a petrochemical plant near Vladivostok and to promote joint excavation of oil and natural gas in Sakhalin and Siberia (The Japan times News 2016b). In addition, Russia is coveting Japanese support in developing liquefied natural gas on the Gydan Peninsula facing the Arctic Ocean and in promoting a wind power generation project in the Russian Far East. Another project for consideration is to connect Sakhalin and Hokkaido with an underwater power transmission system (The Japan Times News 2016c).

In October 2016, Tokyo and Moscow announced an organization to promote Japanese investment in Russia's Far East. The body, which will be based in the Far East, will well encourage Japanese companies to open facilities in a special economic zone in Vladivostok offering tax incentives to the investment firms. An additional project is an exclusive industrial park for Japanese companies in the city of Komsomolsk-on-Amur, which is a Russia's third largest city in the Far East and a hub for high-technology industries (The Japan Times News 2016a). These Japanese activities will no doubt reinvigorate the economy in the region.

Cultural Internationalism Policy For Russia

According to Akira Irie's "Cultural Internationalism and World Order", there is a new approach in recent studies of international relations. In this approach, they examine more "local" areas such as political, social, and intellectual settings. They are concerned with various activities in the area including social economic activity in a society and interacting with other societies. Thus, in this cultural approach, international relations tend to be depicted as a reflection of domestic social conditions and ideology of the countries involved (Irie 1997: 178). This approach is diametric in their view of the more traditional one focusing on decision makings in which military power, industrial productivity, and economic mobilization are examined to assess various nation's capabilities and intentions (Irie: 1997: 177).

To deal with Russia, the Irie's indicative new cultural approach is considered to be helpful. In the Japanese territorial disputes such as the Northern Territories, Senkaku Islands and Takeshima Islands, the geopolitical interest questing power is blindingly pushed forward, but has not achieved the desired effect. The consequence is the vehement resistance against other powers as it is conceived that the counterpart is trying to usurp a wisp of new soil. Apart from being overwhelmed by a vain and national-regarding interest, it is in this arena of disputes that the borderless, cross

boundary and scrupulously planned cultural context is particularly pertinent rather than only waiting for their doom. In the cultural context in the international relations, the economic definition has played an important role in the historiographical record.

In this respect, Prime Minister Abe and President Putin's agreement in the summit meeting for a more liberated policy in Nagato, Yamaguchi Prefecture on January 15 and 16 in 2017 is in accordance with this direction to get the desired effect for both countries. From a cultural approach in international relations, setting the national borderline is not the whole purpose. The ideal policy of cultural internationalism is to enable to make the current residents and the former residents and their future descendants of the disputed area to ease, and the governments of the disputed area should be delving deeply into this objective.

The emboldened project of "Joint Economic Activities" in the four Islands discussed in the summit meeting will be the initial stage for the people of both countries to engage in common economic activities and co-resides. However, this idea is nothing new at the heart of things, as can be analogous to the Hashimoto Doctrine. It will pave the way for the joint administration of the area since the operations and dwelling by the two nationals will come to constitute the daily reality. The project consists of a cultural approach to the disputes, and will survive the current turmoil by establishing reliable bases in terms of mutual trust as Kremlin spokesman Dmitry Peskov hinted (The Japan Times News 2016d). By superseding international relations defined in power terms, this culturally defined program would not create backlash or bemusement to either country.

As a part of Abe-Putin agreement, a non-visa visit program to the four islands will be expanded. Right now, there are 6,500 former Japanese residents living mainly in Hokkaido. The planned non-visa program will be expedient not only to the former residents for their visit to their ancestors' cemeteries, but also to the business persons, academics, students and the officials related to the joint economic activities. At present, there is only one charter vessel for visiting the four islands accommodating only fifty to sixty passengers in the limited period of the year, which is from May through October (Yomiuri Shinbun 2017a). A more frequent and larger vessel service should be planned as this is one of the hindering blocks for more frequent visiting to the four islands.

For a closer connection between Hokkaido and the four islands, facilitation of port in Habomai and the expansion of the existing ports of the other islands are indispensable. In addition, as the viable alternatives for easier and speedy transportation, the air service from Nakashibetsu Airport in Hokkaido to Yuzhno-Kurilsk Mendeleyevo Airport in Kunashiri, and to Iturup Airport in Etorofu should be realized. At the same time, the technical simplicity of application of visits and the defined process for dwelling in the islands will be a matter to be discussed.

On March 18, 2017 the first deputy ministers' meeting for joint economic activities was held in

Tokyo. At the meeting, Japan proposed concrete joint projects in the Northern Territories and Kuril areas. To conduct a feasibility study of these programs, a sixty-nine member Japanese team was dispatched in June, in 2017. During their five day stay in the area, a survey of the five joint economic activities such as cruise tours in the region, remote medical support for the Russians, sea urchin/scallop farming, facilitation of hotel, and infrastructure was conducted (Yomiuri Shinbun 2017f). Russia believes that the Japanese enterprise investment in these infrastructure building is the core of their “Kuril Development Program”. They hope that Japanese high technology and financial support would lead to additional employment as their own programs are now facing financial problems.

Russian Deputy Foreign Minister Morgulov stated during a deputy ministers meeting in Moscow on March 18, 2017 that these activities could be carried out only when they did not contradict Russian laws (Yomiuri Shinbun 2017c). In this connotation, Prime Minister Abe stated after the summit meeting on January 15 and 16, 2017 that “under the specially arranged system” which does not infringe either the Japanese nor Russian legal systems, joint economic activities would become possible. Actually, the idea so called “Moscow Proposal” which is akin to the Abe’s statement was presented by Russia during Hashimoto-Yeltsin territorial negotiations in 1998.

The metaphor applied there was to conclude the mutual agreement in sequential fashion. The first stage was to make the four islands as the special arranged area under the joint legislation, and the second one was to define the national borderline and conclude the peace treaty (Iokibe, Togo 2015: 558). It was the proposal from the Russian side at that time with creative compromise to establish a particular legal system by both powers for the joint activities in the four islands (Iokibe, Panov 2015: 579). Though Japan treated this proposal with scant respect at that time, present Abe’s idea is to commit to this direction with the emphasis on constructing the basis of common activities and residing in the area.

Here, there are issues to be resolved such as which country or organization has the right and responsibility of collecting taxes and of judicial and police activities in sequence. As a good case in point to be referenced and considered would be the template of the Svalbard, a Norwegian archipelago, where the legal and tax system has been in existence specifically for the Svalbard residents since concluding the Svalbard Treaty in 1920 (Yomiuri Shinbun 2017e). As being realized in Svalbard, sticking to the rules and going along, both Japanese and Russian nationals will have equal right to access readily to the Northern Islands for fishing and hunting or to undertake any form of economic activity, and even become compatriots in the area. The revenue obtained by the operation and activity is to be used literally for the benefit for the residents, companies and organizations located in the Northern Territories.

There, both Japanese and Russian people are to work and live together, respecting each other's culture and identity. It sounds like an optimistic attempt, but by successful business operation and cooperative activity, it could be posited that they will pave the way for the future joint community in harmony and mutually compatible. It will lead the islands to be administered in the most satisfactory way for the current indigenous and for the future occupants. This is exactly what the cultural policy in the international relations is aiming at for trans-bordering activities emphasizing the improvement of the specific area and the people.

Conclusion

Regarding the disputes between Japan and Russia for the Northern Territories, irrespective of historical, moral or legal arguments, neither side at present is ready to accept the other's reasons fully. This almost intransigent attitude of both sides means that the Japanese-Russian dispute will plummet further toward stalemate unless either party offers compromised proposals. Even if the current situation continues, Russia will not lose anything leaving intact their physical domain of the four islands. Nonetheless, it also is true that Japan would not lose further from the status quo, though somewhat unpalatable to them. In the meantime, the conviction and the justification for the reversion of the "inherent" Northern Islands are going to reach out and grow among Japanese people. Even setting aside the legal justification of the Russian's domain of the four islands, from the view point of stand point of the Atlantic Charter and the non-participation in the San Francisco Peace Treaty, it will eventually incumbent upon the Japanese leaders as it is the strong Japanese conception and the ire that is held about the USSR attacking primordial Japanese land breaking the neutrality agreement.

On the other hand, Russian assertion to the Kuril Islands is special and unique. As being demonstrated in Stalin's speech in the public in September 1945, the occupation of the Kuril Islands as well as South Sakhalin is considered to be their reward for building the second front in the Far East during World War II as it was a key factor to bring the war to an end. It also is the retribution against Japan for Russo-Japanese War and the Siberia Expedition (Iokibe, Hatano 2015: 306). The assertion steels them against returning the four islands to Japan as it means denigrating the achievement of their forebears and affronting their sacrifice in the warfare. They even take it as rewriting the result of World War II, and could on no account consent. Another facet of the Russian's reluctant attitude of compromising on the territorial issue is the Kuril Islands' militarily strategic location stretching from Kamchatka to north of Hokkaido.

Under this numerous varying notions toward the disputed area by the two powers, the only

conceivable way out, particularly important for Japan, is expanding the sphere of dialogue in order to break the doldrums. The traumatic development to change the course of the relation is to give way the efforts to find new descriptive notions like economic support and joint economic activities rather than adhering to the nominal sovereignty and clamoring power over the islands. As has been pointed out by Akira Irie, in the cultural context in international relations, economic definition and activity have played an important role in the historiographical literature, and will be playing even wider role in future global activities.

Actual economic development of Siberia and the Russian Far East started when the Russian Federation was established. Then, it was promoted robustly since Putin took over the power in 2000. As has been elaborated in detail, the mutual trade has increased dramatically. Indeed, by seven times in the year in 2014 comparing 1998. The LNG plant in Sakhalin Island and the operation of ESPO oil pipeline started in 2012 contributed greatly for mutual trade growth. However, such a level is not considered to be satisfactory. After the summit meeting between Mr. Abe and Mr. Putin in May 2016, Russia provided 68-point list of Japan's support for economic development. Russia is in desire to incorporate Japanese investment and technology into their Far East coast including the four islands. One reason is the recent oil price drop and the subsequent result of ruble volatility. Russia was captivated by Japanese capital and technology, and its government hopes to revitalize their Far East by setting up and organizing various economic segments with their support.

Russian interest of the economic layer for investment lies in the infrastructure. Facilitation of ports, communication channels, industrial sites, medical services and agricultural/industrial bases combine to constitute a solid groundwork in the Russian Far East. Interestingly enough, as being mentioned, Japanese enterprises have no great notion of the geopolitical territorial problem to get into the business or into industrial activity in Russia. They discern the real problem and raise insufficient services of infrastructure as a barrier. Contribution to facilitate this basic part of the Russian economy will be lauded, and will further motivate Japanese investment in the Russian Far East. By promoting the economic activities targeting infrastructure, the area could become the start for further promotion of the bilateral activities.

In the Northern Territories, particularly, the specially arranged legal system, which does not infringe on either Japanese or Russian legal system, is to be reproduced. The outcome and the revenue should be used strictly for the benefit of the area as being in Svalbard. These beliefs must sustain and satisfy the needs of the society of the four islands. Given this intelligence, the Northern Territories could become an experimental industrial and trading zone of such joint activities. If Japan is not going to enter into this big potential opportunity, the same Russian desire will be fulfilled by China even though Russia is concerned about Chinese influence to their 4,209 km border area.

To begin with for any kind of joint activities, in the four islands, easier access to the area is indispensable. To make it possible, facilitation of a seaport and airport as well as smooth traffic and other procedure are to be implemented without delay. For the joint economic activities, the system for both Russian and Japanese nationals to live, to work, and to administer is a matter to be organized from now on. The present residing Russians, former Japanese residents and their descendants, and the newly arriving Japanese/Russian businessmen and their families are going to live together. For the new community of both nationals to work and live together, the new legal, tax and social systems should be studied and transformed into a deeply pondered work before they become untimely.

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