



## NORTHERN TERRITORIES AND JAPAN-RUSSIA RELATIONS: LATEST DEVELOPMENTS UNDER PRIME MINISTER TARO ASO

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### **Abstract:**

Since the end of World War II, Japan and Russia have been at odds over a territorial contentious, regarding the four southernmost islands from the Archipelago of the Kurils, taken by the USSR from Japan. Up to now, neither country has been able to come up with a satisfactory solution for these four islands called Etorofu, Kunashiri, Shikotan and Habomai (the so called “Northern Territories” in Japan). Diplomatic relations and economic and trade relations have developed, but the territorial row stands as a stumbling block preventing the improvement of relations. Since the end of the Koizumi administration and its intense but unsuccessful negotiations over Siberian energy resources and the territorial problem, momentum seems to be gathering under the current Prime Minister Taro Aso. Still, despite positive rhetoric from the Russian side and illusions from Japan that Russian economic problems and worsened relations with the West will leave them with the upper hand and with the leverage to force a solution in its favor, Russia has still not given any substantial sign of willingness to proceed seriously with the solution of the territorial problem and seems rather bent on emphasizing the economic side of their bilateral relations leaving aside more thorny issues.

**Keywords:** Russia, Japan, Bilateral Relations, Territorial Problem, “Northern Territories”, Energy.

### **Resumen:**

*Desde finales de la 2ª Guerra Mundial, Japón y Rusia han estado en disputa por un contencioso territorial cuyo objeto son las cuatro islas más meridionales del Archipiélago de las Kuriles, pertenecientes a Japón hasta su ocupación por la URSS. Hasta ahora, ninguno de los dos países ha sido capaz de proponer una solución satisfactoria para estas cuatro islas llamadas Etorofu, Kunashiri, Shikotan y Habomai (los llamados “Territorios del Norte” en Japón). Las relaciones diplomáticas y económicas se han estado desarrollando, pero el problema territorial sigue siendo el principal escollo que impide la mejora de la relaciones. Desde el fin del gobierno de Koizumi y sus negociaciones sobre los recursos siberianos y el problema territorial, intensas, si bien infructuosas, parece que las negociaciones de nuevo se intensifican. Sin embargo, a pesar de la retórica esperanzadora por parte de Rusia y las ilusiones de Japón de que los problemas económicos rusos y sus tensas relaciones con el Oeste le otorguen una posición de superioridad y con capacidad de forzar una solución a su favor, Rusia no ha dado todavía signos claros de tener la intención de abordar seriamente la solución del contencioso territorial y parece más bien inclinada a poner énfasis en el plano económico en sus relaciones bilaterales, dejando de lado materias más espinosas.*

**Palabras clave:** Rusia, Japón, relaciones bilaterales, problema territorial, “Territorios del Norte”, energía.

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## **1. Introduction**

Asia, along with most of the world, was affected by the Cold War. Actually, Asia and Europe were the two main fronts where both superpowers were directly or indirectly confronted. But while in Europe its legacy faded away with the collapse of the Soviet Union, in Asia unsolvable remnants still persist. In this continent its legacy is resilient indeed. No one would fail to identify the division of the Korean Peninsula and the successful survival of the Kuomintang's shelter-state in the island of Taiwan as the most striking examples. North Korea (DPRK) as a quasi failed state represents a protracted threat to International Society and in particular to South Korea (ROK) and Japan. Its seemingly dead-end negotiations over denuclearization rank among the main challenges to world peace. But actually another less known spot, on the fringes of Asian geography, is still stuck in the Cold War and has very few short-term prospects of solution: four small islands located at the extreme South of the Kurile chain, ranging from Kamchatka (Russia) to Hokkaido (Japan), named Etorofu, Kunashiri, Shikotan and Habomai.

From now on we will refer to the islands using their Japanese names, as they are usually known in the academic world and in the press. The reason for this is that while they officially belong to the Russian Federation (they were inherited from the former Soviet Union), these four islands have been claimed by Japan since the end of WWII. Actually both countries have so far failed to sign a peace treaty to put an end to the state of war mostly because of the unbridgeable differences over this small territory. This is an anomalous situation not only because most countries in Europe and Asia managed to solve their territorial problems with the USSR and later with Russia, but also because Moscow and Tokyo have normalized their diplomatic relations since 1956 and have developed their trade and cooperation ever since. It is therefore a situation contrasting with both the trends in other countries and with the real status of relations between Japan and Russia. It represents a serious stumbling block precluding the deepening of their relationship. Solving it would usher both countries into a new and surely more fruitful stage. Much is at stake in it: a closer relationship with Russia would open up new perspectives for making inroads in its energy market. Conversely, Russia would gain much from seeing Japan deepen its cooperation in its Far East region. Alongside that, Japan could stop being seen as a neighbor unworthy of any confidence as an ally of the US and a lurching threat to its Pacific fleet.

The present article will focus on the latest developments, namely under current Japanese Prime Minister Taro Aso. After a short historic review, we will also take into account developments that occurred during the Koizumi era and under its immediate successors, Shinzo Abe and Yasuo Fukuda. Then we will deal with new developments. Landmark events that took place in recent months are the Medvedev-Aso summit in Sakhalin island, in February, and the visit of the Russian prime minister, Vladimir Putin, from 11<sup>th</sup> – 13<sup>th</sup> May. The context and the contents of their speeches and declarations are at the center of this article. We can anticipate that in spite of skillful rhetoric formulae and positive declarations, a new stage in their bilateral relations is hardly expected, as both countries still see each other as marginal actors with limited value in their diplomatic agenda.

### **1.1. Historical Review**

The territorial problem stems from the end of the Second World War. The Yalta Agreement guaranteed in its secret protocol, article 3, that the Kurile Islands would be "handed over" to the USSR; at that point the US were pressing the USSR to enter the war against Japan in order



to relieve them of the huge war effort needed to assault the main islands. It was finally agreed that the USSR would declare war three months after the German capitulation. When on the 9<sup>th</sup> August the USSR proceeded with the attack, the whole archipelago was effectively occupied, but immediately the question was raised: does the Yalta Agreement equate “handing over” to “occupying”? After doubts and discussion, the US finally agreed on the occupation of the Kurile Islands by the USSR <sup>2</sup>.

When the time arrived for the signature of a Peace Treaty in 1951, the ambiguous situation of the Kurile Islands was an impediment for establishing relations between Japan and the USSR; the US put a strategy into practice aimed precisely at hampering good relations between both countries<sup>3</sup>: in article 2c it was stated that “Japan renounces all right, title and claim to the Kurile Islands”<sup>4</sup>, but it was left to them to agree on the geographical definition of the Kurile Islands. To add further confusion, the USSR was not entitled to the islands such as articles 23 and 25 specified, given that rights would be only conferred to signatory states. The USSR rejected this and defended its supposed rights on the basis of the ambiguous terms of the Yalta Agreement and refused to sign the treaty. Japan had nevertheless to abandon the Kurile Islands<sup>5</sup> and the archipelago was left occupied but in a legal limbo. From this moment the US evolved from limited and ambiguous support of the devolution of Shikotan and Habomai to the Japanese claim on the four islands on the basis of the Shimoda Treaty of 1855, that is, Etorofu, Kunashiri, Shikotan and Habomai.

The next landmark in the USSR-Japan row over the islands was the 1956 Mutual Declaration, which provided for the USSR to hand over Shikotan and Habomai upon signing the Peace Treaty (article 9). Japan showed greater flexibility under Prime Minister Hatoyama, as opposed to the strictly pro-American stance of his predecessor, Shigeru Yoshida. But again political problems and pressure from the US prevented the implementation of article 9 and no solution could be brought to the contentious territorial issue. After this historical occasion, in which at least the restoration of diplomatic relations was achieved, conditions did not provide for a real solution. Actually, unilateral rejection by Khrushchev of the 1956 Declaration in 1960, as a response to the signature of a new security treaty by Japan and the US, sent mutual relations back to the starting point. Even worse, after delusions that the Détente would help to improve relations, the hardening of Soviet diplomacy in the late 70s and early 80s further worsened them. The bold visit by Prime Minister Kakuei Tanaka in 1973 did not bring any substantial progress except for an ambiguous interpretation of the wording of the Joint Communiqué: “continue negotiations for a peace treaty by resolving *the unresolved questions since World War II*” (emphasis added), that according to some Japanese sources (although categorically denied by the Soviets), implied the acknowledgement by Brezhnev of the territorial problem<sup>6</sup>.

As the Tanaka-Brezhnev summit clearly showed, both countries were trying to impress each other and to take advantage of real or imagined weaknesses to enforce their maximalist vision: no return by the Soviet Union and the claim of the four islands by Japan. It

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<sup>2</sup> Hasegawa, Tsuyoshi (2005): *Racing the Enemy, Stalin, Truman and the surrender of Japan*, Cambridge; London, Harvard University Press, pp. 268-69.

<sup>3</sup> Clark, Gregory: “Northern Territories dispute lives on self-righteous deadlock”, *The Japan Times*, 12 May 2009, at <http://search.japantimes.co.jp/cgi-bin/eo20090512gc.html>.

<sup>4</sup> Hasegawa, Tsuyoshi (1998): “The Northern Territories Dispute and Russo-Japanese Relations”, vol. II, Berkeley, University of California at Berkeley, pp. 525-26.

<sup>5</sup> *Ibid.*, *Idem*.

<sup>6</sup> Hasegawa, Tsuyoshi (1998): “The Northern Territories Dispute and Russo-Japanese Relations”, vol. I, Berkeley, University of California at Berkeley, p. 156.



was a pattern that unfortunately persists nowadays. The clearest example can be seen in the complicated negotiations under Gorbachev in a time when the Cold War was vanishing under reform and collapse of the USSR. Japan took a long time to soften its position, wrongly believing that its economic clout would force the USSR to make concessions. But the USSR ended up being engulfed under Gorbachev in a political turmoil that prevented any concessions. Although progress was achieved in summits with Gorbachev and later with Yeltsin in 1991 and 1993 respectively, no final solution on the territorial problem was agreed. In the Joint Communiqué of 1991, the ambiguous wording “making use of *all positive factors that have been accumulating through bilateral negotiations over the years since 1956* (emphasis added), when Japan and the USSR jointly declared the end of the war and the restoration of diplomatic relations”, left both sides claiming that either the 1956 Declaration had not been accepted (USSR) or that it had been fully accepted (Japan)<sup>7</sup>. The Summit with Yeltsin in 1993, after two cancellations, did not make any explicit reference to the 1956 Declaration, thus leaving the problem in the same situation<sup>8</sup>.

Relations gathered momentum when a new Japanese Prime Minister, Ryutaro Hashimo (1996-1998), devised a new strategy, the “Multilayered Approach”. This strategy emphasized cooperation separately from political issues. Solving the territorial problem was obviously one of the ultimate goals, but it did not appear as an ultimatum and a precondition for economic cooperation. Hashimoto offered substantial expansion of relations in several areas, with economic cooperation topping the agenda at the Summit of Krasnoyarsk, where it was agreed that by the year 2000 a peace treaty would be signed. As on previous occasions, economic ties expanded, but at the end no solution was offered by the Russians.

A new, interesting occasion appeared under the predecessor of Junichiro Koizumi, the ephemeral Yoshiro Mori, when he met with the new President of Russia, Vladimir Putin. The basis for a breakthrough was established when Mori seemed to be leaning on a “two-islands+alpha” solution (two islands returned and negotiations for the other two) and Putin declared that the 1956 Declaration was in effect<sup>9</sup> (he later explicitly accepted the return of Shikotan and Habomai if the territorial problem could be officially closed<sup>10</sup>). But his government fell before momentum could be sustained. Koizumi worked to reverse this course and went back to the classic conservative position. However the seemingly pro-US turn of Putin after the 11-S prompted Koizumi to revert to the Mori position<sup>11</sup>, but it would not last very long.

## **2. Abe and Fukuda: Mending Fences**

Junichiro Koizumi was an ambitious politician and wanted to create an upturn in Japan’s diplomacy. One of his ambitions was to court Putin with an energy diversification strategy aimed at getting resources in the Russian Far East. The race raged between the two main contenders, China and Japan, but unfortunately for Tokyo, after falling prey to Moscow’s intended or unintended equivocations and false expectations, China seemed to have gained the upper hand.

<sup>7</sup> Hasegawa: “The Northern Territories...”, vol. II, *op. cit.*, p. 395.

<sup>8</sup> *Ibid.*, p. 485.

<sup>9</sup> Rozman, Gilbert: “A chance for a breakthrough in Russo-Japanese relations: will the logic of great power relations prevail?”, *The Pacific Review*, vol. 15, no. 3 (2002), p. 338.

<sup>10</sup> *Ibid.*, p. 341.

<sup>11</sup> *Ibid.*, p. 349.



Tokyo believed it had a valuable asset in its financial clout, but any deal struck with Russia regarding energy could not sideline the claim of the four islands or “Northern Territories”. Japanese intransigence in this respect led to the re-routing of the pipeline, going to China first. The prospect of getting the islands back faded away too. Thus relations with Russia under Koizumi weakened as had happened earlier under former leaders, leaving the aftertaste of a lost opportunity (or false delusion). The legacy left to their immediate successors was rather limited, as the end of Koizumi’s tenure was greeted by a Russian plan for development and repopulation of the Kurile Islands<sup>12</sup> and a new border incident involving Japanese fishermen shot by Russia border guards<sup>13</sup>. No good start for the next Prime Minister indeed.

## 2.1. Developments under Shinzo Abe

Shinzo Abe succeeded Koizumi in 2006, being elected to the post of Prime Minister on the 26<sup>th</sup> September. His election was praised as the beginning of a new era as he was the first Prime Minister born after WWII. This was a catchy formula for press headlines, but actually his government did not produce any substantial results in the single year it lasted. With a rapidly declining support rate and a hawkish focus on North Korea and China, Russia could not rank very high on his agenda. Responding to the challenges from the reclusive regime of Pyongyang, trying to mend relations with China in the short term and making an effort to maintain the relationship with the US, made his agenda a busy one. At the same time internal politics affected him and shrouded his tenure with corruption scandals and suspicions of incompetence and mismanagement<sup>14</sup>.

### 2.1.1. First Contacts

In the transition to his government, a very discreet visit took place as Shintaro Ito, vice-foreign minister, visited the Russian Far East. The visit did not represent a new step in their bilateral relations as it was instead the product of the existing cooperation between Russia and Japan and did not involve any political considerations. His visit was meant to put into practice an existing agreement for dismantling nuclear submarines belonging to the Pacific Fleet, signed in October 1993 and reconfirmed in November 2005 by Koizumi and Putin. Ito signed a definitive agreement to proceed with the dismantlement of the first of the five scheduled nuclear submarines, a Viktor-I class submarine in the Primorskii region<sup>15</sup>. As it was under the framework of an agreement signed under Koizumi during his tenure, it was still the result of the intensive diplomacy that had been developing under the reformist Prime Minister (a first visit for this purpose, by Katsutoshi Kaneda, Senior Vice-Minister for Foreign Affairs, namely to inspect the site for dismantlement, took place a month earlier<sup>16</sup>). Later in

<sup>12</sup> Blagov, Sergei: “RUSSIA MOVES TO DEVELOP AND REPOPULATE THE KURIL ISLANDS”, The Jamestown Foundation, *Eurasia Daily Monitor*, vol. 3, Iss. 152 (August 7, 2006), at [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=31952](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=31952).

<sup>13</sup> Blagov, Sergei: “RUSSIAN COAST GUARD SHOOTS JAPANESE FISHERMAN IN DISPUTED WATERS”, The Jamestown Foundation, *Eurasia Daily Monitor*, vol. 3, Iss. 161 (August 18, 2006), at [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=31995](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=31995).

<sup>14</sup> For an analysis of his failed government see: Kingston, Jeff: “Meltdown of a neocon: Abe's last hurrah”, *Japan Times*, September 30, 2007, in <http://search.japantimes.co.jp/cgi-bin/fl20070930x1.html>.

<sup>15</sup> Ministry of Foreign Affairs of Japan (MOFA): “Vice-Minister for Foreign Affairs Shintaro Ito to Visit Russian Far East”, September 8, 2006, at <http://www.mofa.go.jp/announce/event/2006/9/0908.html>; Sokolova, Alyona: “Russia, Japan sign sub dismantle contract”, *Vladivostok News*, Iss. 535, September 12, 2006, at [http://vn.vladnews.ru/issue535/Environment/Russia Japan sign sub dismantle contract](http://vn.vladnews.ru/issue535/Environment/Russia%20Japan%20sign%20sub%20dismantle%20contract).

<sup>16</sup> MOFA: “Mr. Katsutoshi Kaneda, Senior Vice-Minister for Foreign Affairs, to Visit Vienna, Moscow, Stockholm and Vladivostok”, August 24, 2006, at <http://www.mofa.go.jp/announce/event/2006/8/0824.html>.





September, another important visit was scheduled too, as Dr. Kiyohiko Toyama, Parliamentary Vice-Minister for Foreign Affairs, was to attend the 4<sup>th</sup> Baikal Economic Forum in Irkutsk from the 19<sup>th</sup> to the 21<sup>st</sup> of September, focusing on economic cooperation<sup>17</sup>.

### 2.1.2. The Government's Position

Abe's tenure did not start with any political initiative regarding the territorial dispute and the signature of a peace treaty. Besides, his conservative stance made him an unlikely candidate for taking bold steps and making significant concessions on this issue. Regarding military affairs, both the 2006 and the 2007 Annual White Papers deal with Russia in the same manner: with respect to Russian relations with Asian countries, the wording and the account are the same, as no event represented a particular breakthrough. At the same time no effort was made to highlight areas where most achievements are recorded. An interesting chapter is the one dealing with the Russian military presence in the Northern Territories. Both reports keep exactly the same drafting, including the harsh wording referring to the islands: "These territories are illegally occupied by Russia although they are an integral part of Japanese territory"..."Russian troops continue to be stationed in the Northern Territories, which are an integral part of Japanese territory, and it is hoped that the issue will be solved at an early date"<sup>18</sup>. If any message about a softening of Japan's position was to be sent through the wording of these reports, it is clear that Abe's intention was far from abandoning or relaxing the tough stance that Japan has traditionally kept.

The Diplomatic Blue Book of 2007 (reviewing the previous year) gives a very short account of relations between Japan and Russia: the description of the first meeting between President Putin and the still recently-elected Shinzo Abe in November 2006 at the APEC Summit just highlights their shared intention of developing relations "across a broad range of fields based on the "Russia-Japan Action Plan" of 2003"<sup>19</sup>. Both countries were interested in maintaining this document as a baseline for their relations as it includes political and economic aspects. As long as no significant development is made about each of its chapters, none of them has to face the dilemma of responding to developments in its counterpart's area if it involves yielding in more delicate issues; this would be the case if Japan pressed Russia for a resolution of the territorial problem for further cooperation (precisely the area Russia favors most).

No grand bargain was made during Abe's tenure, as some analysts had hoped<sup>20</sup>; its attention was far from focusing on Russia. An example of the low level of interest in Japanese public opinion for relations with this country can be exemplified in the Press Conference of the Prime Minister after his visit to Germany for the G8 Summit in Heiligendamm. Some questions were asked regarding Japan's relations with China and on the North Korean issue. The status of Japan-Russia relations was not mentioned<sup>21</sup>. Several signs seemed indeed to herald a real possibility of rapprochement as declarations by Russian and Japanese politicians

<sup>17</sup> MOFA: "Dr. Kiyohiko Toyama, Vice-Minister (Parliamentary) for Foreign Affairs, to Visit New York, Havana and Irkutsk", September 12, 2006, at <http://www.mofa.go.jp/announce/event/2006/9/0912.html>.

<sup>18</sup> Ministry of Defence of Japan (MOD): "Annual Defence White Paper, 2006", p. 58, at [http://www.mod.go.jp/e/publ/w\\_paper/pdf/2006/1-2-3.pdf](http://www.mod.go.jp/e/publ/w_paper/pdf/2006/1-2-3.pdf); "Annual Defence White Paper 2007", p. 73, at [http://www.mod.go.jp/e/publ/w\\_paper/pdf/2007/14Part1\\_Chap2\\_Sec4.pdf](http://www.mod.go.jp/e/publ/w_paper/pdf/2007/14Part1_Chap2_Sec4.pdf).

<sup>19</sup> MOFA: "Diplomatic Blue Book, 2007, Summary", p. 15, at <http://www.mofa.go.jp/POLICY/other/bluebook/2007/chapter2.pdf>

<sup>20</sup> Harris, Tobias: "Keep an Eye on Russia", *Observing Japan (Blog)*, June 01 2007, in <http://www.observingjapan.com/2007/06/keep-eye-on-russia.html>.

<sup>21</sup> MOFA: "Press Conference by Prime Minister Shinzo Abe Following his visit to Germany for the G8 Summit Meeting in Heiligendamm", June 8, 2007, at <http://www.mofa.go.jp/policy/economy/summit/2007/press.html>.



pointed towards more flexible approaches<sup>22</sup>. Still, not even spectacular declarations such as that of Foreign Minister Taro Aso back in December 2006, who put forward a division of the islands in half<sup>23</sup>, could be trusted as real signs of serious policy revisions. In his visit to Japan where he met the Speaker of the House of Representatives, Yohei Kono, Russian Prime Minister Mikhail Fradkov clearly stated that it was too early to discuss the territorial problem<sup>24</sup>, although the topic was mentioned alongside efforts to find a solution<sup>25</sup>. Taro Aso warned before his arrival in Russia during his official visit in May 2007 about the inconvenience of “stressing territory, territory”, as it would be counterproductive, and called instead to further develop other fields of cooperation<sup>26</sup>. But experience about the endless negotiations between Japan and Russia should guard against hasty expectations. This meeting was scheduled to prepare a sideline meeting between Vladimir Putin and Shinzo Abe in the upcoming G8 Summit in Germany<sup>27</sup>, so no determined proposals were put forward. Declarations from Aso stating “I feel the dynamics of the Japanese-Russo relationship are heading in the right direction,” and from Lavrov affirming that “Russia is prepared to make efforts to realize fruitful achievements in our bilateral cooperation in every possible field, in line with the 2003 Japan-Russia Action Plan.”<sup>28</sup>, could be seen as a good omen. But diplomatic overtures can work for status quo while no substantial interest in solving the problem exists, as long as circumstances do not favor the current stance.

### 2.1.3. The G8 Summit of Heiligendamm and its Aftermaths

Finally, when Abe and Putin met in Heiligendamm, Germany, in June 2007, the profile of their meeting was relatively low. The difficult political situation of Abe counseled immediate gains as to boost his standing at home. Such could be achieved through popular issues among the public, as a tough stance towards North Korea and efforts to lead the world’s fight against global warming<sup>29</sup>. Still, Abe presented an interesting offer, the “Initiative for the Strengthening Japan-Russia cooperation in the Far East Russia and Eastern Siberia”<sup>30</sup>, which is worth mentioning for the fact that any reference to the Northern Territories was elicited, in contrast to the 2003 Japan-Russia Action Plan, where such reference did exist and actually ranked first, preceding the chapters of cooperation. Was it really an effort to separate politics from economics and put an end to the conservative approach? It might be so, but only in the short term. Actually next month in July, the visit of Sergei Naryshkin, Russian Deputy Prime Minister to Japan and his talks with Taro Aso revealed that Japan had not abandoned the old

<sup>22</sup> Masangkay, May and Tang, Janice: “Japan looks to ramp up effort to resolve isle row with Russia”, *Japan Times*, May 10, 2007, at <http://search.japantimes.co.jp/cgi-bin/nn20070510f1.html> .

<sup>23</sup> Фесюн, Андрей: “Таро Асо предлагает “разделить поровну” спорные острова Курильского архипелага”, *Sakhalin.info*, 14 December 2006, at <http://www.sakhalin.info/news/41111> .

<sup>24</sup> “Russian Premier Says Too Early To Discuss Kuriles”, *Huliq*, 27 February 2007, at <http://www.huliq.com/12698/russian-premier-says-too-early-to-discuss-kuriles> .

<sup>25</sup> MOFA: “Mr. Mikhail Efimovich Fradkov, Chairman of the Government of the Russian Federation, Pays Courtesy Call on Mr. Yohei Kono, Speaker of the House of Representatives”, February 28, 2007, at <http://www.mofa.go.jp/region/europe/russia/talk0702.html> .

<sup>26</sup> Тургиев, Михаил: “Проблему Курил нельзя решать без развития сотрудничества - Таро Асо”, *Sakhalin.info*, May 5, 2007, at <http://www.sakhalin.info/news/43722> .

<sup>27</sup> Ministry of Foreign Affairs of the Russian Federation (MID): “О российско-японских межмидовских консультациях”, 17 May 2007, at <http://www.in.mid.ru/ns-rasia.nsf/1083b7937ae580ae432569e7004199c2/432569d80021985fc32572de0049030c?OpenDocument> .

<sup>28</sup> “Aso, Lavrov agree to boost strategic ties, Abe-Putin summit in June”, *Kyodo*, May 04, 2007, at [http://findarticles.com/p/articles/mi\\_m0WDO/is\\_2007\\_May\\_7/ai\\_n27230142/](http://findarticles.com/p/articles/mi_m0WDO/is_2007_May_7/ai_n27230142/) .

<sup>29</sup> “Abe heads to G8 with hopes of raising domestic standing”, *Japan Times*, 04 June 2007, at <http://search.japantimes.co.jp/cgi-bin/nn20070604a2.html> .

<sup>30</sup> MOFA: “Initiative for the Strengthening Japan-Russia cooperation in the Far East Russia and Eastern Siberia”, June 07, 2007, at <http://www.mofa.go.jp/region/europe/russia/initiative0706.html> .



philosophy: “as the leaders of Japan and Russia had agreed at their bilateral meeting held in Heiligendam, it would be necessary for both countries to promote negotiations for concluding a peace treaty, as an important pillar of the Japan-Russia Action Plan, to finally solve the territorial issue.”<sup>31</sup>. Japan was again resorting to a linkage of recent proposals for cooperation to discussions on the peace treaty, but Russia remained uncommitted through the diplomatic formula: “the two countries should continue discussions to reduce the differences in their positions”<sup>32</sup>.

If such an initiative could have prompted a positive response from Russia before a conservative backlash, Abe could have boasted a political success. It would be too adventurous to assume that Abe either seriously entertained the idea of improving relations with Russia and integrate her in his project of “Arch of Freedom and Prosperity”<sup>33</sup>, aimed at the containment of China<sup>34</sup>, or that he was trying to take on the legacy of his father, the USSR-friendly Foreign Minister back in the eighties, Shintaro Abe (who acted after retirement as a personal envoy). From another side, seeing the active role taken up by Taro Aso and his bold declarations, we cannot dismiss the factor of competition between ambitious politicians. Aso might have also been looking for personal political gains in trying to bring dynamism to Russia-Japan relations. A similar game was played in the eighties by Prime Minister Nakasone and his foreign minister, Shintaro Abe<sup>35</sup>, and between Shigemitsu Mamoru (Minister of Foreign Affairs) and Ichiro Hatoyama (Prime Minister) in the fifties. Meanwhile, if we have to interpret Russia’s motives for apparent flexibility, it is worth thinking that its dependence on China (favored as the first destination of the East Siberian pipeline in construction, and an essential ally for global soft balancing of US preeminence), would counsel at least keeping alive options of improved relations with Japan, as a means to lower that dependence. That could explain its behavior. In any case, Shinzo Abe had to resign in September 2007 after political disaster in the previous elections in July. If any positive course was meant to open up under his premiership, he was not given the chance.

## **2.2. Developments under Yasuo Fukuda**

Abe’s successor, Yasuo Fukuda, was a moderate politician. He represented quite the opposite of his predecessor, far from revisionist conservatism and keen on maintaining good relations with China. Still, Fukuda was even weaker than him, as domestic political scandals did not lull. He had to face continuous wrangling with an opposition now controlling the upper-chamber and bent on blockading any proposed legislation: the problems of extending the Supply Mission in support of the US war effort in Afghanistan are a good example.

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<sup>31</sup> MOFA: “Talks between Mr. Taro Aso, Minister for Foreign Affairs, and Mr. Sergei Naryshkin, Deputy Prime Minister of the Russian Federation”, July 4, 2007, at [http://www.mofa.go.jp/announce/announce/2007/7/1174395\\_830.html](http://www.mofa.go.jp/announce/announce/2007/7/1174395_830.html).

<sup>32</sup> *Ibid.*

<sup>33</sup> Russia is conspicuously absent from this project aiming countries on the fringes of Eurasia sharing democratic values. See: Aso, Taro: “Speech by Mr. Taro Aso, Minister for Foreign Affairs on the Occasion of the Japan Institute of International Affairs Seminar “Arc of Freedom and Prosperity: Japan’s Expanding Diplomatic Horizons”, Japanese Institute of International Affairs, November 30, 2006, at [http://www2.jiia.or.jp/pdf/kouenkai/061130\\_aso\\_speech\\_e.pdf](http://www2.jiia.or.jp/pdf/kouenkai/061130_aso_speech_e.pdf).

<sup>34</sup> “Japan courts India to counter China: Analysts”, *The Economic Times*, 23 August 2007, at [http://economictimes.indiatimes.com/News/Politics/Nation/Japan\\_courts\\_India\\_to\\_counter\\_China\\_Analysts/articleshow/2305041.cms](http://economictimes.indiatimes.com/News/Politics/Nation/Japan_courts_India_to_counter_China_Analysts/articleshow/2305041.cms)

<sup>35</sup> Hasegawa, Tsuyoshi (1998): “The Northern Territories Dispute and Russo-Japanese Relations”, vol. II, Berkeley, University of California at Berkeley, p. 240.





Developments in Japan-Russia relations did not experience any substantial breakthrough in terms of policy revisions or bold proposals. Wording regarding Russian relations with Asian countries and the military deployments in the Northern Territories did not change in the Annual White Paper of 2008<sup>36</sup>. Actually the new edition highlighted the revitalization of the Russian military<sup>37</sup> in what appeared to be renewed suspicion towards Russia. Still, new surprising declarations came from Naryshkin in his second visit to Japan where he met with the new Prime Minister (these declarations even prompted the MOFA to declare that they were quite unusual for a high-ranking official of the Russian government<sup>38</sup>). His words were that “the Russian side had the intention of discussing (the territorial problem) in a constructive way based on mutualism”... “the Russian side does not want to avoid discussions on the territorial problem”, while both sides acknowledged the fact that they should concentrate on work to search for possible proposals<sup>39</sup>.

### 2.2.1. Fukuda’s April Visit

Fukuda had an important summit to organize, the G8 Summit in Hokkaido, Lake Toya, he could use as a tribune to reach out to global leaders. The previous summit, as we saw, was used by Abe to hand over a program for cooperation. This one could perfectly be used for the same purpose. But prior to that, Fukuda had the intention of paying an unofficial visit to Vladimir Putin and the future new President Dmitri Medvedev. Declarations by Naryshkin seemed to herald very good prospects, though as we saw before, taking such declarations too seriously could be misleading.

Before his visit, scheduled for April, Fukuda laid out his objectives before a press meeting: (1) he asserted first that discussions around solutions for the territorial problem and the conclusion of a peace treaty would be important topics. (2) He asserted too that the time was ripe for efforts towards mutual cooperation. Both issues were therefore highlighted, but a clear priority for the territorial problem seems to be detected, following the traditional policy. Another comment by Fukuda, stating that “he intended to transmit comprehension of the Japanese thinking to the Russian side”<sup>40</sup> (it can be supposed he was referring to the territorial issue), does not reflect any change of policy. It is instead a repetition of the Japanese negotiating style regarding the Northern Territories as described by Hiroshi Kimura: conveying their convictions in a frank and sincere way as to convince their counterparts of the rightfulness of their claim<sup>41</sup>.

But when the meeting did take place, it appeared that cooperation was to occupy a far more important part, as could have been expected from Fukuda’s stated goals. Agreements in the field of energy proved mutually beneficial, independently of the lack of progress in political matters: adding to the existing agreements on the delivery of 8 million tons of liquefied natural gas from the Sakhalin-2 project<sup>42</sup>, a deal for joint development of the oil

<sup>36</sup> Ministry of Defence of Japan (MOD): “Annual Defence White Paper, 2008”, at [http://www.mod.go.jp/e/publ/w\\_paper/pdf/2008/12Part1\\_Chapter2\\_Sec4.pdf](http://www.mod.go.jp/e/publ/w_paper/pdf/2008/12Part1_Chapter2_Sec4.pdf).

<sup>37</sup> “防衛白書、中国軍近代化に警戒ロシア軍活発化にも言及”, *Asahi Shinbun*, 05 September 2008, at <http://www.asahi.com/special/071029/TKY200809050121.html>.

<sup>38</sup> “領土問題 建設的に協議 福田首相にロシア副首相”, *Asahi Shinbun*, 05 November 2007, at <http://www.asahi.com/special/070912/TKY200711050302.html>.

<sup>39</sup> *Ibid.*

<sup>40</sup> “領土問題・平和条約締結、前進に意欲＝ロシア訪問で福田首相”, *Reuters*, 25 April 2008, at <http://jp.reuters.com/article/topNews/idJPJAPAN-31512320080425>.

<sup>41</sup> Kimura, Hiroshi (2000): “Japanese-Russian Relations under Gorbachev and Yeltsin”, New York; London, M. E. Sharpe, p. 227.

<sup>42</sup> *Ibid.*



field of Severo-Mogdinsky, the biggest result of the meeting<sup>43</sup>, was signed. The deal somehow opened up East Siberia to Japan after the defeat in its pipeline scramble against China. Therefore, bringing a solution to the contentious issue and “adopting a “stronger” manner in negotiating the matter with Moscow than past Japanese administrations”, as he said probably as to boost his standing at home<sup>44</sup>, did not weigh very large. Putin managed to “escape” its compromise regarding the solution of the territorial problem just stating that he would keep dialogue on the isles intact: “I understand that there are pending issues between us and I hope to continue the dialogue between us”...“We are continuing a dialogue on the peace treaty and creating the necessary atmosphere for progress in that direction”<sup>45</sup>. Meanwhile, Fukuda’s strategy focused on building a personal relationship with him<sup>46</sup> (Putin did everything possible to create a welcoming ambiance to establish personal ties and a sufficient level of trust, including changing the venue to his personal presidential residence on the outskirts of Moscow<sup>47</sup>).

### 2.2.2. The G8 Summit of Lake Toya and its Aftermaths

When Fukuda and Medvedev finally met at the G8 Summit in Lake Toya, the stance of the new Russian President seemed to favor the positive tune played to Japanese ears so far. Medvedev’s statement: “If the territorial row is resolved, bilateral relations will be pulled up to the highest level,”... “It could drastically change current relations”<sup>48</sup> kept to the line of understanding the Japanese plight and was far from negating the existence of the territorial issue. Actually it even seemed that there was a real disposition to solve the problem by taking the final step towards solving the contentious issue.

Still, before Fukuda decided to leave the political stage, resigning from his post one year after nomination as his predecessor did, nothing tangible resulted. Trying to establish a personal relation with Putin, Fukuda might have been following the steps of a previous “honeymoon”, as developed between Hashimoto and Yeltsin back in the 90s, when real breakthroughs were expected. If Fukuda could have conveyed the impression that a similar pattern was developing between him and Putin, he could surely have scored certain gains as to boost his prestige. Unfortunately, given the precarious political situation and his low support rates, there could not have been real possibilities for a properly thought out long-term plan. The positive words by Putin and his welcoming gestures could have played on the eagerness of the Japanese side to show “tangible” results. Structural political weakness and the cunning Russian dangling of hypothetically improved relations could have combined in a game of deceit where Russia seemed to remain on the winning side.

<sup>43</sup> Ito, Hiroshi: “Fukuda Putin shake hands on joint oil deal”, *Asahi Shinbun*, 28 April 2008, at <http://www.asahi.com/english/Herald-asahi/TKY200804280066.html>.

<sup>44</sup> “Japanese PMs visit improves ties with Russia”, *People’s Daily*, 27 April 2008, at <http://english.people.com.cn/90001/90777/90853/6399792.html>.

<sup>45</sup> “Fukuda, Putin keep dialogue on disputed isles ‘intact’”, *The Japan Times*, 27 April 2008, at <http://search.japantimes.co.jp/cgi-bin/nn20080427a5.html>.

<sup>46</sup> Fukumoto, Tatsuya: “Fukuda focuses on building ties with Putin”, *Yomiuri Shinbun*, 28 April 2008, at <http://www.yomiuri.co.jp/dy/world/20080428TDY02304.htm>.

<sup>47</sup> “スコープ 領土より目先の実利 日ロ首脳会談”, *Tokyo Shinbun*, 27 April 2008, at <http://www.tokyo-np.co.jp/article/politics/scope/CK2008042702006994.html>.

<sup>48</sup> Takahara, Kanako: “Fukuda, Medvedev favor isle row solution”, *The Japan Times*, July 9, 2008, at <http://search.japantimes.co.jp/print/nn20080709b1.html>.



### 3. Russia-Japan Relations under Taro Aso

At the time this article is being written, Taro Aso, who succeeded Yasuo Fukuda as Prime Minister, remains in his post. But if Abe and Fukuda's premierships resulted in resounding failures, Aso seems to be on the same path. So far, his incoherent way of governing and his gaffe-prone ministers (including himself), have been combining with the global crisis and the hostility of the opposition. The new government has been facing these troubles from the outset and they have driven Aso's support rate to hardly-seen lows. What was said earlier about consequences for foreign policy-making seems to fit here too. This would herald a marginal role for Russia, as whatever position Russia could occupy in the minds of Japanese politicians, it could hardly displace other countries as the US or China.

But the fact is that Aso inherited from his predecessor the promise from Medvedev of high-ranking visits, among which was scheduled a visit by the new Prime Minister, former president Vladimir Putin<sup>49</sup>. This, along with the unexpected summit of Medvedev-Aso that was to take place in Sakhalin, February 2009, seemed to show that relations were effectively gathering momentum.

#### 3.1. First High-Ranking Visits and Meetings

(1) In November, the Russian Minister of Foreign Affairs, Sergei Lavrov, paid, as promised, a visit to Japan. It was a highly symbolic occasion, as it marked the 150th anniversary of diplomatic relations. In his bilateral meeting with his counterpart Hirofumi Nakasone, it was possible to have a first glance at the official position Japan was to maintain under the new Japanese Prime Minister. Russia and Japan have been fighting for decades over priorities regarding bilateral relations and the Japanese preference for solving the territorial issue as a precondition for extended cooperation, resurfaced again in Nakasone's words: "Regarding the issue of signing the Peace Treaty, the territorial problem, which remains as the main unsolved problem in our relationship, I plainly exposed our position and remarked that is essential for us to achieve such progress in these negotiations so as to match the progress achieved in the fields of commercial and economic cooperation and other fields"<sup>50</sup>. In his interview with the Russian daily "Kommersant", Nakasone bluntly expressed that a resolution of the sovereignty of the four islands was a necessary duty for upgrading relations to a qualitatively new level<sup>51</sup>.

(2) After this meeting, Medvedev and Aso had the opportunity to meet on the sidelines of the APEC Summit in Lima. In an interview to the same daily, "Kommersant", Taro Aso, prior to his trip to Lima, considered the territorial problem in similar terms as his minister of foreign affairs had earlier: "In order to raise our relations to a higher level, according to its potential, it is necessary to sign a peace treaty with the goal of resolving the issue of sovereignty of the four islands"<sup>52</sup>. He had the intention of asking his counterpart directly about his plans to solve the territorial problem and to develop Russia's relations with Japan accordingly<sup>53</sup>. But apart from funny details such as the present to Medvedev's son (a human-sized replica of the cartoon cat Doraemon), results were equally scarce. Actually not much transpired. In his

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<sup>49</sup> *Ibid.*

<sup>50</sup> "В Токио главу российского МИДа встретили требованием отдать Курилы", *Sakhalin.info*, 05 November 2008, at [www.sakhalin.info/news/52511](http://www.sakhalin.info/news/52511).

<sup>51</sup> "По мирному договору нет сдвигов", *Kommersant*, 05 November 2008, at <http://www.kommersant.ru/doc.aspx?DocsID=1052013&ThemesID=436>.

<sup>52</sup> Golovin, Vasili: "Премьер Японии: отсутствие мирного договора неестественно", 21 November 2008, at <http://www.kommersant.ru/doc.aspx?DocsID=1075737&ThemesID=436>.

<sup>53</sup> *Ibid.*



following visit to Japan, Naryshkin referred to the meeting as one where “key topics on economic, political and humanitarian cooperation were dealt with”<sup>54</sup>, with no further details. Among declarations reported by the press, Medvedev, similar to when he met Fukuda, uttered very welcoming intentions, such as “the problem can be solved through good-will and political will. I am ready to solve the problem” and surprised everyone with his intention of raising awareness among Russians of the problem of the Kurile Islands<sup>55</sup>.

(3) Naryshkin’s visit in December was the third big meeting since the outset of Aso’s government. It is useful to recall some of Naryshkin’s declarations as a sign of the permanence of Russia’s official policy. He repeated some of the dogma already uttered in previous meetings, namely that “the solution for the problem of the peace treaty between Russia and Japan can be found through an approach that *responds* in a balanced manner to the interests of both countries (emphasis mine)” and “we did not put aside the problem (emphasis mine) that remains a very sensitive topic for Japan, namely the problem of the peace treaty”<sup>56</sup>. The fact as we mentioned before, is that a disposition to discuss a topic, or even less, the repeated utterance of a disposition to enter into negotiations around that topic, does not show more than a will to please a counterpart. Ironically, trying to find a compromise that fits both countries’ interests is impossible before serious proposals have been realized and a true will to yield has manifested. In that sense, the greatest intransigence can surely be found on the Japanese side, while the Russian side had previously been ambiguous over the possibility of handing over two islands (Shikotan and the Habomais as provided for in the Joint Declaration of 1956).

### **3.2. February Summit in Sakhalin an its Aftermaths**

The present year, 2009, has started with both auspicious and not so auspicious signs for Japan-Russia relations:

(1) In January, the Japanese government was negatively surprised by sudden restrictions by the Russian government on non-visa access to the Northern Territories by Japanese citizens (mainly former residents and staff for cooperation programs had made full use of a system that had been established in 1991 and had been working since then). The new restrictions manifested themselves when a team of Japanese citizens serving within a program for humanitarian assistance was asked for an entry and departure card in order to be granted access to the disputed territory. Accepting in principle such a procedure would have amounted for the Japanese government to a de facto recognition of Russian sovereignty, thus prompting an immediate rejection<sup>57</sup>. The team could not therefore enter the territory. The inconsistency was that while this was happening, the Russian ambassador in Japan downplayed the significance of this new and arbitrary measure<sup>58</sup>.

<sup>54</sup> “Глава администрации президента РФ обсудил в Японии перспективы мирного договора”, *Sakhalin.info*, 10 December 2008, at [www.sakhalin.info/news/53159](http://www.sakhalin.info/news/53159).

<sup>55</sup> Mutsu, Aoki: “ロシア外交官のトラウマ”, *Tokyo Shinbun*, 17 December 2008, at <http://www.tokyo-np.co.jp/article/column/ronsetu/CK2008121702000114.html>.

<sup>56</sup> “Глава администрации...”, *op. cit.*,

<sup>57</sup> “スコープ ちぐはぐロシア 政府困惑”, *Tokyo Shinbun*, 31 January 2009, at <http://www.tokyo-np.co.jp/article/politics/scope/CK2009013102000121.html>.

<sup>58</sup> “北方領土: 出入国カード巡り 交渉停滞ビザなし 交流に暗雲”, *Mainichi Shinbun*, 07 February 2009, at <http://mainichi.jp/photo/archive/news/2009/02/07/20090208k0000m010085000c.html>.



(2) But more surprising was the decision by President Medvedev to invite Prime Minister Aso to attend the inauguration of the export terminal of liquefied gas of Sakhalin 2<sup>59</sup>. Some analysts rushed to predict that this represented a real change in the Russian attitude (actually the value of such a gesture indeed gives ground to believe that something important beyond cheap-talk was in the making); through this invitation, many started to interpret increasingly positive promises by Russian officials as something more than just tokens of diplomatic politeness<sup>60</sup>. We can understand that with the final confirmation of Putin's visit for May 2009, the Japanese side identified important occasions in the present year so as to bring about a breakthrough in the pending issues which had been straining bilateral relations. The problem is that Japanese high officials immediately resorted to a state of mind that had been common on previous occasions. The comments by Takeo Kawamura, General Secretary of the Cabinet, are a good example: "Russians have a complicated relationship with Europe regarding energy supplies. Therefore, Russia apparently wants to improve their relations with Japan in this field. *We shall discuss the Northern Territories with them taking advantage of this possibility*"<sup>61</sup> (emphasis mine). Negotiations with the USSR under Kakuei Tanaka<sup>62</sup> and with Russia under Junichiro Koizumi had the same pitfall: believing they were in a position of superiority, the Japanese pressed for the immediate resolution of the territorial problem. If Russia either did not share that appreciation or Japan exaggerated an existing vulnerability, the result could end up being a stand-off where no concessions were made.

In this context, when on the 7<sup>th</sup> February the rally for the "Northern Territories Day" was convened, Aso exposed a strategy that placed the territorial problem at the centre: the condition to improve bilateral relations was the solution of the territorial problem. The positive side was that an improvement in relations with Russia was desired and maybe expected. The negative side was that what had been souring relations for so many decades was kept as the chief condition for improvement. But previous declarations, such as the "Policy Speech by Minister for Foreign Affairs Hirofumi Nakasone to the 171st Session of the Diet", already focused on this problem before mentioning the chapter of cooperation<sup>63</sup> (at the same time Nakasone expressed dissatisfaction over the entry card issue that finally led to the cancelation of the annual good-will mission of medical and humanitarian aid<sup>64</sup>).

On the same day of the summit meeting, the 18<sup>th</sup> February, the press reported a clarification from Sergey Lavrov, on the interpretation of declarations by Naryshkin regarding the solution to the territorial problem: Naryshkin declared that Russia would seek solutions through a new approach and through *non-standard decisions* (emphasis mine). When in January the President of the Federation's Council, Sergey Mironov, paid a visit to Japan he is reported to have repeated the same formula several times<sup>65</sup>. Whether it was truly a Japanese misunderstanding or a sudden hardening from the Russian side for negotiating reasons,

<sup>59</sup> "Россия и Япония идут на сжижение", *Kommersant*, 27 January 2009, at <http://www.kommersant.ru/doc.aspx?DocsID=1108679&ThemesID=436>.

<sup>60</sup> *Ibid.*

<sup>61</sup> *Ibid.*

<sup>62</sup> Japan believed it had the economic key for the USSR to develop economically (Hasegawa, Tsuyoshi (1998): *The Northern Territories Dispute and Russo-Japanese Relations*, Vol. I, Berkeley, University of California at Berkeley, pp. 154-55.) the problem, as would unfold again with Koizumi, is that the USSR also believed its energy resources placed her in a position where she could exert the upper hand, precisely in a moment when oil prices started to jump in the 70s and made Japan vulnerable (*Ibid.*, p. 155).

<sup>63</sup> MOFA: "Policy Speech by Minister for Foreign Affairs Hirofumi Nakasone to the 171st Session of the Diet", January 28, 2009, at <http://www.mofa.go.jp/announce/fm/nakasone/speech0901.html>.

<sup>64</sup> "Aso vows to resolve isle dispute", *The Japan Times*, 08 February 2009, at <http://search.japantimes.co.jp/print/nn20090208a3.html>.

<sup>65</sup> "Россия и Япония идут...", *op. cit.*





Lavrov now stated that such a promise could never have come from the President and pointed to the fact that such misunderstandings were common on the Japanese side<sup>66</sup>. He repeated the dogma of seeking a satisfactory solution for both sides, supported by their respective citizens, and criticized the linkage of the solution for the territorial problem to the development of relations between both neighbors, which he dubbed as counterproductive<sup>67</sup>.

The summit finally took place, as scheduled, on the 18<sup>th</sup> February, in the city of Yuzhno-Sakhalinsk. It was not just the occasion for a second trip by a Japanese Prime Minister to Russia (after the landmark trip by Tanaka Kakuei back in the 70s), but it was also the occasion for a very symbolic first trip to a formerly Japanese territory, as was the Southern part of the island of Sakhalin. The summit brought quite positive material results as the facility to liquefy gas was inaugurated. Thus, the first shipments to Japan, and a major contribution to its diversification strategy, would be possible: the deal secured the start of the operative status of the Sakhalin-2 delivery terminal, favouring Japan over South Korea and the US, as of the gas deliveries that are to be shipped to these three countries, the lion's share is to go to Japan, with 65 % of the total production over the next decade, around 6.2 million tons annually or 8 % of the annual gas consumption of Japan<sup>68</sup>.

But obviously, Aso had very clear political objectives for the visit. The discussion on the Northern Territories was unavoidable. Did Japan gain anything from its inflexible stance? As it could have been expected, no breakthrough was achieved, but a new formula was devised by Russia so as to guide future efforts. This formula consisted of four points: (1) Firstly, the issue should be resolved in their generation; (2) Secondly, work should be performed based on the agreements and the documents which both parties have achieved; (3) Thirdly, work should be performed under a "new, original and nonstandard approach," as instructed by President Medvedev; (4) Fourthly, additional instructions should be given in order to accelerate the work to reach the final solution of the issue of the attribution of the four islands, or the demarcation of national borders<sup>69</sup>. Regarding its wording, it seems proper to consider that this new formula amounts to a diplomatic "gift" for Taro Aso to bring back to Tokyo. Optimistically, it could be even seen as the first step to a solution. But the formula suffers because of its lack of concrete proposals and some contradictory points.

Regarding this first point (the second requires no explanation), we can analyse the commitment of the pledge: "*resolving in their generation*". It is positive for two reasons: first it sets a deadline (though imaginary) and thus sounds like a real commitment. Second, the temporal frame in "their generation", endows Medvedev (who proposed the formula) and Aso with the ability to bring a solution (as it is their generation which is meant); thus both leaders can have the feeling they belong to the generation meant to bring a solution. But it is positive only in the rhetorical and psychological level. Its lack of definition is negative in very practical matters because the time span is not really determined. The chief formulation of the summit contained in the third point: "*new, original and nonstandard approach*", pleases the Japanese as they were enthusiastic about the "nonstandard approach" philosophy, but is a

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<sup>66</sup> It is true that in previous years, the Japanese analysts, politicians and diplomats had tended to distort in their favor Russian declarations or supposed declarations.

<sup>67</sup> "С.Лавров: Россия не предлагала Японии урегулировать территориальную проблему "нестандартным способом", *Sakhalin.info*, 18 February 2009, at [www.sakhalin.info/news/54353](http://www.sakhalin.info/news/54353).

<sup>68</sup> Ferguson, Joseph: "Territorial Dispute Takes Second Place to Russian-Japanese Economic Cooperation", The Jamestown Foundation, *Eurasia Daily Monitor Volume*, vol. 6, no. 36 (February 24, 2009), at [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=34545](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34545).

<sup>69</sup> MOFA: "Japan-Russia Summit Meeting (in Sakhalin) (Overview)", February 18, 2009, at <http://www.mofa.go.jp/region/europe/russia/summit0902.html>.



hollow motto. In the first Yeltsin-Hashimoto summit, the motto “*no neck-ties*” was equally devoid of any real meaning, but at least Prime Minister Hashimoto brought a new and more flexible approach under the “Multi-Layered” formula. This time no such elaborated policy existed. And finally, the phrase: “additional instructions should be given in order to *accelerate the work to reach the final solution* (emphasis mine) of the issue of the attribution of the four islands, *or the demarcation of national borders*” (emphasis mine), conveys the wrong idea. If technical work is to be performed in relation to the demarcation process, it should be clear that such a step can only happen once a decision has been taken. The impression of dynamic decision-making it conveys is highly deceitful.

Other achievements apart from the chapter on energy and the apparent progress regarding the territorial problem were: the definition of Japan-Russia relations as strategic, where complementary energy interests and several chapters of economic cooperation carry an important weight; the decision to send a Far East Mission of the Japan Association for Trade with Russia & NIS in June to explore concrete projects; a meeting of the subcommittee for regional exchanges at vice-minister level within the framework of the Japan-Russia Intergovernmental Committee on Trade and Economic Affairs scheduled for the autumn; participation of Japanese companies in the construction of the bridge to “Russky Ostrov”, where the venue for the APEC Summit of 2012 will take place; discussions on possible cooperation in the production and supply of natural gas in the Russian Far East and Eastern Siberia and ecological cooperation. On the political dialogue, three important meetings were arranged: (1) A sideline meeting between Aso and Medvedev in April during the G-20 Summit, (2) a second similar meeting during the G8 Summit in Italy in July and more importantly, (3) a visit by prime-minister Vladimir Putin in May from the 11<sup>th</sup> to the 13<sup>th</sup>. We should not forget the other big issue that had soured relations in the preceding month: the restrictions on non-visa trips to the Northern Territories by Japanese individuals. Unfortunately, this problem was not solved, though both leaders agreed on the importance of such a framework and agreed to instruct all concerned officials to work for a solution<sup>70</sup>.

Prime Minister Aso was right in downplaying the importance of the territorial problem, saying he wished to express his point of view that no concern should be raised about the return of the four islands (that was surely a first<sup>71</sup>), as no real progress was to be expected<sup>72</sup>. After the summit his position was expressed in the following way: “There will be no progress as long as they offer two islands while we want all four. *The only way (to settle the dispute) is through a political decision* (emphasis mine)”, which most interpret as a willingness to reach a compromise away from the traditional position<sup>73</sup> (it should not be forgotten that Aso in the past put forward the quaint 3.5 islands formula). It could also be seen as a reassertion of the necessity of sticking to the 4-islands formula (being the political decision the Russian acceptance of such a stance), although the first interpretation sounds more plausible. In any case, it is not difficult to agree with critical voices claiming that Aso’s

<sup>70</sup> *Ibid.*

<sup>71</sup> “日露首脳会談 北方領土返還「4島」こだわらず 首相が「新手法言及」, *Mainichi Shinbun*, 18 February 2009, at <http://mainichi.jp/select/world/news/20090218dde001010019000c.html>.

<sup>72</sup> The Russian Ministry of Foreign Affairs’s (MID) declaration on the aftermaths of the Summit, warning about extreme positions and recommending possible ways for solution, stopped short of defining any concrete formula (“北方領土問題：手方、従来表現止まり・・・露外務省”, *Mainichi Shinbun*, 22 February 2009, at <http://mainichi.jp/select/world/news/20090223k0000m030035000c.html>).

<sup>73</sup> “EDITORIAL: Japan-Russia summit”, *Asahi*, 20 February 2009, at <http://www.asahi.com/english/Herald-asahi/TKY200902200061.html>; “日露首脳会談 北方領土返還、麻生首相が「新手法言及」, *Mainichi Shinbun*, 18 February 2009, at <http://mainichi.jp/seibu/seikei/news/20090218ddg001010002000c.html>.



comments were inappropriate<sup>74</sup>. Many feared that Russia would misinterpret the partition proposal of Aso<sup>75</sup> of more than one year ago as an acceptance of Russia's more favoured stance of 2 islands (Declaration of 1956)<sup>76</sup>.

Whatever the real gains of the summit were, significant in the field of energy cooperation, and at the best, elusive regarding the twisted territorial problem (framed as it was in an innovative rhetorical formula and based on the diplomatically non-committing motto of "seeking a solution acceptable for both countries", as confirmed by the MID right after the summit<sup>77</sup>), the fact is that the atmosphere was one of regained momentum. The Japanese government had now three big meetings ahead where it hoped that much would be clarified about the territorial problem. It should not be forgotten that the visa-free entry program for Japanese was not resolved in the summit either, so that made two potential big issues pending for the next meetings, which were, as we mentioned earlier: (1) a sideline summit in the G20 summit in London, scheduled for the 1<sup>st</sup> to the 2<sup>nd</sup> of April; (2) a visit by Russian Prime Minister Vladimir Putin from the 11<sup>th</sup> to 13<sup>th</sup> May and (3) another sideline meeting in the G8 summit in Italy, scheduled for the 8<sup>th</sup> to the 10<sup>th</sup> of July.

Ahead of that first meeting, in March, Taro Aso declared he would ask President Medvedev to make a proposal for the solution of the territorial problem. Medvedev answered he would consider it<sup>78</sup>, but the real and definitive response regarding this new challenge seemed to come on the very day of the meeting in a rather unexpected way: for scheduling reasons, the meeting had to be cancelled<sup>79</sup>. That shows that the Russian president eluded the responsibility of pushing forward the issue of the final attribution of the islands. But Aso did not relent in his determination and declared he would like to discuss the problem with Prime Minister Putin too, upon his visit to Japan the following month. Medvedev responded that though Putin's plans were for discussing economic issues, he would also accept discussion on other matters<sup>80</sup>.

### 3.3. The Yachi "Incident"

Meanwhile, in April a real debate ensued in the media after explosive declarations by former Vice Foreign Minister Shotaro Yachi: in an interview with the daily newspaper "Mainichi Shinbun", he went as far as to unearth the famous proposal of Taro Aso of equal partition of the territories, which would yield 3.5 islands to Japan (Habomai, Shikotan, Kunashiri and around 25 % of Etorofu, the largest island). Right after that, the same newspaper demanded explanations from the government and asked for a clear position on the issue. The daily's editor obviously linked such bold declarations with previous ambiguities by the Prime Minister, such as the enigmatic complaint about the necessity of making a political decision as negotiations were dead-locked (seemingly complaining about Russia accepting the return

<sup>74</sup> "EDITORIAL: Japan-Russia summit...", *op. cit.*

<sup>75</sup> See: "Taro Aso predlagayet...", *op. cit.*

<sup>76</sup> "日口経済協力領土問題に危惧が残る", *Tokyo Shinbun*, 20 February 2009, at <http://www.tokyo-np.co.jp/article/column/editorial/CK2009022002000074.html>.

<sup>77</sup> "На встрече в Южно-Сахалинске Медведев и Асо "выразили намерение искать взаимоприемлемое решение" территориальной проблемы – МИД", *Sakhalin.info*, 25 February 2009, at [www.sakhalin.info/news/54441](http://www.sakhalin.info/news/54441).

<sup>78</sup> "『領土前進なしに関係築けぬ』首相、口に解決案迫る", *Tokyo Shinbun*, 16 March 2009, at <http://www.tokyo-np.co.jp/article/politics/news/CK2009031602000089.html>.

<sup>79</sup> "日口首脳会議断念 北方領土協議口側が敬遠?", *Tokyo Shinbun*, 02 April 2009, at <http://www.tokyo-np.co.jp/article/politics/news/CK2009040202000052.html>.

<sup>80</sup> "プーチン首相と5月訪日時議論 日口課題で麻生首相", *Tokyo Shinbun*, 04 April 2009, at <http://www.tokyo-np.co.jp/article/politics/news/CK2009040302000090.html>.



of only two islands while Japan called for the return of all four islands)<sup>81</sup>. Bearing in mind this was the very proposal of Aso, back in December 2006 when he was Minister of Foreign Affairs, did it signal a real change of policy? Any doubts were immediately dispelled by The Secretary of the Cabinet, Takeo Kawamura, who affirmed these were personal opinions of Shotaro, not representing the entire government's point of view<sup>82</sup>. The Minister of Foreign Affairs, Hirofumi Nakasone followed suit reaffirming the official position and dismissing Shotaro's declarations<sup>83</sup>. The next obvious step was for the source of the very scandal that was stirring Japanese diplomatic circles to explain that his intentions had been misunderstood<sup>84</sup> (similar to the excuse Aso used when he put forward the same proposal<sup>85</sup>). This time too, instead of defending this (in fact, his own) proposal, Aso turned it down maintaining again that the official policy remained the return of the four islands<sup>86</sup> (He could have pushed Yachi to defend the 3.5 formula just to test public opinion and the existing room for manoeuvre).

In Russia, whether any temptation existed or not regarding more flexible formulae, nobody seemed to encourage Yachi's departure from the official dogma: in a meeting in Sapporo between Japanese and Russian representatives involved in negotiations about the territorial dispute, the representative of Sakhalin's government, Sergey Ponomariov, was very graphic in his analogy to oppose any partition under the 3.5 formula: "National territory is like a body, how can we think about halving it?"<sup>87</sup>. Following the analysis by "Mainichi Shinbun", reporting that within the Russian government all this was seen as a signal of departure from the policy of returning the four islands, these declarations would rather strengthen the Russian resolve of sticking to the two-island solution that Putin's presidential administration had previously endorsed<sup>88</sup>. Anyway, no official response came from the Kremlin<sup>89</sup>.

### 3.4. Vladimir Putin's Visit in May

Given such a background, as seen in previous pages, nothing seemed to herald any groundbreaking progress in the forthcoming visit of Prime Minister Putin. Still, good news came at the beginning of May, as one of the stumbling blocks in bilateral relations was removed. After consultations on the 23<sup>rd</sup> April, a settlement on non-visa trips by Japanese citizens was finally agreed in favor of the Japanese side: a visa would remain unnecessary as

<sup>81</sup> "社説「3.5島」返還首相の説明を聞きたい", *Mainichi Shinbun*, 18 April 2009, at <http://mainichi.jp/select/opinion/editorial/news/20090418k0000m070147000c.html>.

<sup>82</sup> *Ibid.*

<sup>83</sup> "МИД Японии объявил выговор чиновнику", *Kommersant*, 21 April 2009, at <http://www.kommersant.ru/doc-rss.aspx?DocsID=1158730>.

<sup>84</sup> "谷内正太郎政府代表「北方領土3.5島」調解を与えた", *Mainichi Shinbun*, 28 April 2009, at <http://mainichi.jp/photo/news/20090422k0000m010082000c.html>.

<sup>85</sup> "МИД Японии объявил выговор чиновнику", *Kommersant*, 21 April 2009, at <http://www.kommersant.ru/doc.aspx?DocsID=1158730>.

<sup>86</sup> "北方領土問題：谷内発言 首相「4島の帰属、一番の問題」", *Mainichi Shinbun*, 24 April 2009, at <http://mainichi.jp/select/seiji/news/20090424ddm002010049000c.html>.

<sup>87</sup> Eriko Horii: "北方四島交流協議 露側代表「3.5島」に不快感—札幌／北海道", 25 April 2009, at <http://mainichi.jp/hokkaido/news/20090425ddl01010216000c.html>.

<sup>88</sup> "北方領土問題：谷内発言 露で関心「分割論の議論、日本で活発化」", *Mainichi Shinbun*, 25 April 2009, at <http://mainichi.jp/select/world/news/20090425ddm002010060000c.html>.

<sup>89</sup> "Япония не поделила Курилы", *Vzgliad*, 29 April 2009, at <http://www.vz.ru/politics/2009/4/29/281631.html>





was agreed in the 1991 Summit. Instead the only additional requirement would involve handing over a list of all travellers on every scheduled trip<sup>90</sup>.

Regarding Putin's visit, most of his agenda was supposed to be devoted to matters concerning cooperation. In his position as Prime Minister he was not supposed to deal with issues of foreign policy. Still, Putin is suspected to pull most of the strings in Russian policy, and in any case, in his position as premier he is far from being fully subordinated to his president. It was therefore expected that the issue would be broached during his meeting with Aso<sup>91</sup>; discussing the stumbling block of the territorial problem would be unavoidable, particularly after the cancellation of the Aso-Medvedev meeting during the April G20 Summit. But the Japanese did not intend to push the issue too hard as they shared the understanding that such an issue was a duty of the President (on the Russian side the constitutional limitations of Putin's political post were repeated). They would only reiterate Medvedev's words in an attempt to get more clarification on the true meaning of them<sup>92</sup>.

As the meeting approached, Putin, far from staying fully away from the territorial problem, started commenting on it. In an interview on Sunday 10<sup>th</sup>, in the eve of his departure, he clarified his position: his comments indeed reinforced the suspicion that he would not dwell on the issue and that he was rather, as he confirmed himself, interested in discussing trade issues. Following previous warnings from the Russian government, he said he would not step beyond the established framework<sup>93</sup>. This was already in itself a policy statement. He further avoided commenting on the 3.5 solution, taking advantage of the scandal created by Yachi's declarations to say that Japan had not yet formulated its final position<sup>94</sup>, and affirmed that developing relations in several directions was necessary to prepare the conditions for a solution<sup>95</sup>. This last affirmation demonstrates the classic Russia position of cooperation and trade first, territorial problems later. His warning Japan that seeking confrontation would not help was far from acknowledging any blame on the Russian side<sup>96</sup>. Putin did not seem fully neutral as his comments were echoing traditional ways of reasoning.

In his interview, Putin highlighted the issue he intended to push forward in his trip to Japan: a nuclear deal that had been dragging on in negotiations since April 2007. The deal would provide more exports of nuclear fuel from Russia and technology transfers from Japan to build reactors. Fear of leakage of such technologies to the Russian defence sector compounded Japanese apprehensions and resulted in the slowing down of negotiations. Putin wished such a deal could now be finalised<sup>97</sup>. Deepening of trade and cooperation in this field is far from being a minutia for Japan, as according to Putin himself, Russia exports 15% of

<sup>90</sup> “Япония и Россия договорились о посещении японцами Южных Курил без заполнения миграционных карт”, *Sakhalin.info*, 05 May 2009, at [www.sakhalin.info/news/55703](http://www.sakhalin.info/news/55703).

<sup>91</sup> “Путин обсудит в Японии вопрос о принадлежности Курильских островов”, *Sakhalin.info*, 21 April 2009, at [www.sakhalin.info/news/55449](http://www.sakhalin.info/news/55449).

<sup>92</sup> Golovnin, Vasilii: “Владимиру Путину просто напомнят слова Дмитрия Медведева”, *Kommersant*, 08 May 2009, at <http://www.kommersant.ru/doc.aspx?DocsID=1165789&NodesID=5>.

<sup>93</sup> “3. 5 島返論 コメントできぬ 来日前にプーチン氏”, *Asahi Shinbun*, 10 May 2009, at <http://www.asahi.com/international/update/0510/TKY200905100120.html>.

<sup>94</sup> “Japan not yet ready to resolve isle row: Putin”, *The Japan Times*, 10 May 2009, at <http://search.japantimes.co.jp/print/nn20090510a4.html>.

<sup>95</sup> Golovnin: “Владимиру Путину просто...”, *op. cit.*

<sup>96</sup> “ПУТИН: КОНФРОНТАЦИЯ НЕ ПОМОЖЕТ ЯПОНИИ ВЕРНУТЬ ТЕРРИТОРИИ”, *RIA Sakhalin-Kurily*, 11 May 2009, at <http://www.skr.su/?div=skr&id=39764>.

<sup>97</sup> Medestky, Anatoly: “Putin Seeks Nuclear Deal in Japan”, *The Moscow Times*, 11 May 2009, at <http://www.moscowtimes.ru/article/600/42/376999.htm>.





nuclear fuel to Japan, while contracts under discussion could drive that figure up to 25%<sup>98</sup>. It is indeed a promising sector. Along with the prospective nuclear agreement, Putin came with a long list of regional economic projects where Japanese companies could be involved<sup>99</sup>. The nuclear deal was finally signed along other economic deals<sup>100</sup>.

Regarding the territorial problem, once in Japan Putin attended the opening of the “Conference of Regional Governors (Japan-Russia) and did not fail to mention that any solution to the Northern Territories problem should include a comprehensive strengthening of relations involving economic cooperation”<sup>101</sup>. When he met Aso, several topics arose around the current state of international relations; the Northern Territories problem was among them. Did Putin surprise his hosts with any groundbreaking proposal? As expected he did not: Putin simply said that while bearing in mind the territorial problem, he had the intention of developing Russo-Japanese relations in every possible way. His expressed conviction was that however difficult a problem might be, a solution would be possible among friends<sup>102</sup>. Further statements, though not unveiling a concrete solution either, lay the ground for the summit expected this summer between Aso and Medvedev: confronted with the possibility of dividing the islands, he answered: “*all options* (emphasis mine) will be discussed when Prime Minister Aso and President Medvedev meet in July”. His support for the necessity of resolution and his disagreement with those who oppose in Russia<sup>103</sup>, seem to be a good basis for the next meeting in July. Speculations identify among “all options” the following: either a 2 (returned) + 2 (joint development) solution, a three islands, or a three and a half islands solutions<sup>104</sup>. A meeting between Putin and former Prime Minister Yoshiro Mori, supporting the Irkutsk statement in which support for the 1956 Declaration was endorsed<sup>105</sup>, might mean a Russian disposition to keep to the minimalist position of returning only Shikotan and Habomai. Would Japan accept it if the fate of the other two was sealed and no door open to further negotiations? It remains to be seen how Japan will react to positive declarations and whether the Japanese government can change its position with the G8 Summit coming up.

#### 4. Conclusions

Progress under Taro Aso and his predecessors has so far been disappointing. Two conditions must exist in order to expect a breakthrough, and both should be built on the basis of flexibility: 1) a groundbreaking proposal by President Medvedev in July during the G8 Summit; 2) a policy change in Japan. If the two conditions could appear simultaneously, we might face a real possibility for an acceptable solution.

<sup>98</sup> “ПУТИН: РОССИЯ ЗАЙМЕТ ЧЕТВЕРТЬ РЫНКА ЯДЕРНОГО ТОПЛИВА ЯПОНИИ”, *RIA Sakhalin-Kurily*, 11 May 2009, at <http://www.skr.su/?div=skr&id=39760>.

<sup>99</sup> “РФ ПРЕДЛАГАЕТ ЯПОНСКИМ КОМПАНИЯМ УЧАСТВОВАТЬ В РЕГИОНАЛЬНЫХ ПРОЕКТАХ”, 11 May 2009, <http://www.skr.su/?div=skr&id=39762>.

<sup>100</sup> “Aso, Putin ink nuclear-power deal”, *The Japan Times*, May 13 2009, at <http://search.japantimes.co.jp/cgi-bin/nn20090513a4.html>.

<sup>101</sup> “プーチン露首相: 日露時事意見交換会であいさつ”, *Mainichi Shinbun*, 12 May 2009, at <http://mainichi.jp/select/world/europe/news/20090512k0000e010061000c.html>.

<sup>102</sup> “北方領土問題 前進する 日露首相が会談”, *Tokyo Shinbun*, 12 May 2009, at <http://www.tokyo-np.co.jp/s/article/2009051201000726.html>.

<sup>103</sup> “Aso, Putin lay groundwork for resolution of Northern Territories dispute”, *The Mainichi Daily News*, 13 May 2009, at <http://mdn.mainichi.jp/mdnnews/news/20090513p2a00m0na004000c.html>.

<sup>104</sup> Hiroaki Matsunaga, Kenichi Ogata: “Route remains unclear to territorial solution”, *Yomiuri Shinbun*, 14 May 2009, at <http://www.yomiuri.co.jp/dy/national/20090514TDY03102.htm>.

<sup>105</sup> *Ibid.*



But any policy change by Aso's government is unlikely, as the row over Yachi's declarations and Aso's support of the traditional policy showed. Aso faces a difficult political situation at home and, as many Prime Ministers before him, if he tries to make significant policy changes, he is far from having sufficient power to do so.

With regard to the possibility of Medvedev's putting forward a flexible solution that might bring positions closer and force a softening of Japanese policy, I think it is quite unlikely he goes beyond the abstraction of his positive rhetoric. Two interpretations differ in assessing the apparent Russian will to improve their relationship with Japan:

1) Some draw the conclusion that as the global crisis hardens, slackening Russian oil production calls for more investments from abroad. Western investors have pulled out in recent months while Russia is left with a soaring foreign debt and relations with the West are rather grim, as the second gas crisis between Ukraine and Russia showed. To make up for this situation, other countries should chip in, and although China seems to be the likely candidate to fill the void<sup>106</sup>, some prefer to see Japan instead of China as the best solution for Russian troubles with the West (dwindling reserves in Western Russia raise the profile of East Siberian resources, where huge investment will be needed<sup>107</sup>). An editorial from the "Asahi Shinbun" perfected the reasoning: with bad relations with the West and a renewed fear in Russia of Chinese re-emergence, logic would call Japan to be the ideal partner<sup>108</sup>.

2) Still another interpretation would see Russia less from a position of absolute weakness than from one of relative strength. "Kommersant" reported that Gazprom speeded up its export strategy for liquefied gas so as to exert pressure on Europe. Declarations by its president, Alexander Miller, threatening to look for alternative markets were a reaction to the "Brussels Agreement" on energy between Europe and Ukraine<sup>109</sup>. But before that, the sudden and unexpected invitation to Taro Aso might have followed the same logic as the second Russo-Ukrainian gas crisis ensued and left the EU countries threatened.

It would be risky for the Japanese side to believe that they can rely on a new set of relations with Russia given the new circumstances. Invoking the China threat to explain why Russia would turn to Japan is questionable; if Russia sought a candidate to substitute Western investments and make up for reduced exports, China would still remain the most likely one. Giving visibility to its relationship with Japan could serve as a way to manifest the "new" Russian strategy and as a warning to its Western neighbours, as the current improvement compares favorably to so far strained relations. But it should not be ruled out either that Russia might be "using Japan" to obtain more profits from China. Developing cooperation talks with Japan might be just a trick to get better terms for cooperation with China in the development of the Far East<sup>110</sup>. It will be difficult for Japan to displace China, and it is

<sup>106</sup> "Russia opens its first LNG plant to supply Asia", *The New York Times*, 18 February 2009, at <http://www.nytimes.com/2009/02/19/business/worldbusiness/19ruble.html>; "Russia, Looking Eastward, Opens a Gas Plant to Supply Asian Markets", *The New York Times*, 19 February 2009, at [http://www.nytimes.com/2009/02/19/business/worldbusiness/19ruble.html?\\_r=1&scp=1&sq=Russia,%20Looking%20Eastward,%20Opens%20a%20Gas%20Plant%20to%20Supply%20Asian&st=cse](http://www.nytimes.com/2009/02/19/business/worldbusiness/19ruble.html?_r=1&scp=1&sq=Russia,%20Looking%20Eastward,%20Opens%20a%20Gas%20Plant%20to%20Supply%20Asian&st=cse).

<sup>107</sup> Golovnin: "Россия и Япония идут на сжижение...", *op. cit.*

<sup>108</sup> "EDITORIAL: Japan-Russia summit...", *op. cit.*

<sup>109</sup> "Жидкая угроза", *Kommersant*, 02 April 2009, at <http://www.kommersant.ru/doc.aspx?DocsID=1148362>.

<sup>110</sup> It is quite significant that just before the Russia-EU Summit in Khabarovsk from May 21-22, President Medvedev chaired a session on border cooperation between Russia, Mongolia and China and stated: "Russia should coordinate the development of the Far East region with Chinese efforts to rejuvenate its North-eastern old industrial bases"... The development strategy of the Far East to be drafted soon by the Russian government will be connected with China's plans of rejuvenating old industrial bases in the Northeast". ("Russian president urges



therefore unlikely that Russia feels such need as to yield to Japan on the issue of the territorial problem. Both countries believing they hold the upper hand will surely lead to classic misunderstandings and bring no solution to the problem.

The Japanese should be very careful about deluding themselves that economic leverage will be the key, but as an editorial in the *Yomiuri Shinbun* (representative of conservative public opinion), reflected<sup>111</sup>, it appears that this classic way of thinking is gathering momentum. If economic problems and worsened relations with Europe and the US are pointed out, it should not be forgotten that Japan will also suffer from this crisis, thus reducing its economic margin of manoeuvre along the way. A China that will still register significant growth in a context of a global downturn will be far from retreating from the international political and financial world, thus not leaving its Russian semi-ally “alone”. But Japan should also bear in mind that resorting to attitudes interpreted in Moscow as blackmailing will help the Kremlin, as happened in the past, to lump Japan together with a hostile West, and if there is a relatively insignificant member in this broader concept, with whom concessions will yield less than with Europe and the US, that is Japan. In Japan there should also be the awareness that as soon as the panorama improves with the US and Europe, there will be a tendency to forget about Japan and its recurrent demands over the Northern Territories.

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coordination with China on regional development”, *People’s Daily*, May 21 2009, at <http://english.people.com.cn/90001/90776/90883/6663095.html> ) See also: “Medvedev: Russia should interest China in investing in Far East”, *People’s Daily*, May 21 2009, at <http://english.people.com.cn/90001/90776/90883/6663096.html> .

<sup>111</sup> “Can economic ties solve islands row with Russia?”, *Yomiuri Shinbun*, 13 May 2009, at <http://www.yomiuri.co.jp/dy/editorial/20090513TDY04305.htm> .