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# Norms, Structures, and Japan's "Northern Territories" Policy

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## Introduction

Japan has three boundary problems that affect its territorial sovereignty. They are over the islands of Senkaku, Takeshima, and the so-called "Northern Territories," disputed respectively with China, South Korea and the former Soviet Union – presently Russia. Among these, the "Northern Territories" is the issue that Japan has most adamantly pursued seeking recognition of its sovereignty.

The presently disputed "Northern Territories" are the islands of Kunashiri, Etorofu and Shikotan, and the Habomais, a group of islets and rocks. (They are collectively called the "four islands" for convenience hereafter.) Those are part of the former territories occupied by the USSR at the end of World War II. Even to this day, a decade after Japan's negotiation counterpart changed from the USSR to Russia, the issue remains the biggest obstacle preventing the two nations from signing a post-war peace treaty.

In government publications and media coverage in Japan, the "four island return thesis" is often discussed as if it were the invariable truth consistently asserted throughout the post-war years. However, specialists who have studied this problem in detail, know well that it this not the case[1]. In early post-war years, the Japanese government held the so-called "two islands return thesis" seeking Shikotan and the Habomais as a realistic goal. It was during the Soviet-Japanese peace negotiations in the mid-1950s that the "four islands return" became a core policy of the Japanese Government. Since then, Japan adopted various policies directed to that goal, both from hard line and soft line positions. Today, the hard line policies such as *iriguchi-ron* and *seikei fukabun* are no longer heard. Yet the goal of the "four islands return" remains the same.

Several

questions arise: How did the "two island return thesis" come about?; Why did Japan shift from two islands to four islands?; Within the "four islands return" policy, why did Japan's negotiation policy shifted between soft line and hard line?; In the post-Cold War era, why can Japan not go back to its original position of the "two islands return" and sign a peace treaty? This

article contemplates and attempts to provide some answers to these questions.

Approaches adopted here are both structural and normative, or according to Katzenstein and Okawara, "analytical eclecticism."[2] In recent "post-Cold War" international relations discussions, perceiving the global structural analysis as inadequate for explanation of foreign policies, growing number of scholars have emphasized the importance of intangible factors such as norms and ideas. While analyzing the development of Japan's "Northern Territories" policy over the years, consideration is directed to the validity of this perspective.

This article is chronologically divided into four sections. In each section, brief description of Japan's "Northern Territories" policy is followed by analysis both in structural and normative contexts. In structural context, Japan's policy choices are discussed in terms of both domestic and international structures. In normative context, discussion is made in terms of what kind of norms defined them, and where these norms come from. In association with the last question (where norms come from), the relationships between norms and structures that shape foreign policies are also discussed.

## Early Post-War "Northern Territories" Policy: "Two Islands Return Thesis" as a Result of World War II

After the end of World War II, territorial disposition of Japan was expected to be made in a peace treaty between Japan and its former enemies, i.e., the Allies and their associated states. Just like the occupation policy, the peace treaty was drafted under the US leadership. Thus, the most relevant partner for Japan for its territorial negotiations was then not the USSR, but the US.

For the first decade of the post-war years Japan did not have a fixed single "Northern Territories" policy. The original northern territories were all former Japanese territories that were occupied by the USSR in the last stage of World War II. These included the Southern Sakhalin and the entire Kurile chain. However, although various alternatives were considered, the realistic goal of the Japanese territorial recovery was then Shikotan and the Habomais, or "two islands return". For example, the first Diet resolution on the "Northern Territories" issue was passed in March 1951. It was called "the resolution regarding the entreaty for return of the Habomai islands (*Habomai shoto henkan konsei ni kansuru ketsugi*)." Accordingly, during its negotiations with the US preceding and at the Peace Conference, the Yoshida government of Japan demanded return of the Habomais, or Habomais and Shikotan together arguing that Shikotan was a part of the Habomai group. However, there was no mention of Kunashiri and Etorofu that are currently in

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dispute together with those islands, or other northern territories.[3]

Formation of the "Two Islands Return Thesis"

How did the "two island return" policy come about? In terms of domestic policy making, Japanese foreign policy was formulated under strong leadership of the bureaucracy, i.e., the Ministry of Foreign Affairs (MOFA hereafter) during the occupation period. Many influential and conservative politicians were purged or imprisoned In addition, since the most important function of the government in this period was to deal with the Americans and try to influence their occupation policy, a good knowledge of English was useful. Thus, as Reischauer pointed out, "it is no accident that Shidehara, Yoshida, and Ashida ... of the four prime ministers under the occupation, were all products of the foreign ministry."[4]

In international structure, even though the Cold War was escalating, it was a post-World War II peace treaty in which Japan was negotiating its territorial disposition, and the Japan's international position was then a defeated country. As a former wartime enemy, Japan was expected to accept results of the defeat in peace terms set by the victorious Allied Powers.

In terms of norms, the most important may be the international or legal norm, i.e., observance of relevant international agreements. The wartime international agreements relevant to the post-war Japanese territorial disposition included the Cairo Declaration, the Yalta Agreement and the Potsdam Declaration. The Cairo Declaration, released jointly by the US, UK and China in November 1943, outlined the principle of "no territorial expansion", specifying that Japan would be expelled from all the territories that it had taken "by violence and greed". This principle of "no territorial expansion" was originally enunciated in the Atlantic Charter, proclaimed in August 1941 by the Anglo-American leaders. The Yalta Agreement, made by the US, UK and the USSR in February 1945, specified the conditions of the Soviet participation in the war against Japan, which included the cession of Southern Sakhalin and the Kuriles to the USSR. The Potsdam Declaration of July 1945, which Japan accepted at the time of its surrender, stipulated "the terms of the Cairo Declarations shall be carried out, and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine."[5]

These international agreements were, however, not necessarily consistent with each other. The Yalta Agreement was a controversial secret agreement that went beyond the principle of "no territorial expansion".[6] Historically, Southern Sakhalin was the only territory in the area which

Japan had taken "by violence", as a result of its victory in the Russo-Japanese War of 1904. The status of the entire Kurile island chain was determined not by violence but by two Treaties (1855, 1875), mutually agreed by Russia and Japan. The present "Northern Territories", the "Southern Kuriles" or the "four islands" had always been regarded as Japanese territories since the first bilateral border demarcation of 1855.

Despite this contradiction, however, the Japanese government demanded neither the "four islands" nor the entire Kurile chain, but the "two islands". After accepting all of the relevant international agreements, it asked for the "two islands return" on the basis that those "two islands" could still be included in "such minor islands" in the Potsdam Declaration. That is, the "two islands return" thesis was born as a result of World War II, reflecting the reality that Japan was a defeated country and the USSR one of the victorious allies.

In 1951 Japan renounced the South Sakhalin and the Kurile Islands, together with other territories, in the Article 2 of the San Francisco Peace Treaty. However, the treaty specified neither final devolution nor precise demarcation of these territories. Furthermore, the USSR did not sign it. The "unresolved problem" was born here.

## 1955 – 56 Japanese-Soviet Negotiations: "Four Islands Return" as a Result of the Cold War and "Habomai and Shikotan" Transfer in the Joint Declaration

In 1955, four years after San Francisco and a decade after the end of the War, peace treaty negotiations began between Japan and the USSR. The "four islands return" became core of the Japanese "Northern Territories" policy during this negotiation period. The key events that brought this about were the US intervention and the establishment of the "1955 system" in Japanese domestic politics.

The US intervention in the Soviet-Japanese negotiations is best known as "Dulles' warning." In August 1956, after more than one year of negotiations, the Japanese plenipotentiary, Foreign Minister Mamoru Shigemitsu, was on the verge of a compromise with the USSR over their offer of "two islands" and concluding a peace treaty on that basis. However, US Secretary of State John Foster Dulles warned him that Japan's residual sovereignty over Okinawa could be endangered if it were to make territorial concessions to the USSR.[7]

Domestically, the Soviet-Japanese negotiations in the mid-1950s overlapped with the period when the long era of Liberal Democratic Party (LDP) hegemony, the so-called "1955 system",

was established. Upon the merger of the two conservative parties, the new LDP policy for the Japanese-Soviet negotiations was announced in the form of a policy document called "rational adjustment for Japanese-Soviet negotiations". This made the "four islands" claim a core policy of the ruling party, and that was tantamount to government policy thereafter.

With these events, the prospect of reaching a compromise in the territorial negotiation appeared to have completely vanished. Yet, in October 1956 Japan held a bilateral summit and restored diplomatic relations with the USSR. The Joint Declaration released at the time of the summit states,

> ... the Union of Soviet Socialist Republics, desiring to meet the wishes of Japan and taking into consideration of the interests of the Japanese State, agrees to transfer to Japan the Habomai Islands and the island of Shikotan, the actual transfer of these islands to Japan to take place after the conclusion of a Peace Treaty between the Union of Soviet Socialist Republics and Japan.[8]

Despite the Soviet "two islands" pledge to Japan in the Declaration, however, there has been neither transfer of these islands nor signing of a peace treaty to this date.

## Formulation of the "Four Islands Return" Thesis

The "four island return" thesis was a byproduct of the Cold War both internationally and domestically. Internationally, Japan became a center of US Cold War strategy in Asia. Two major reasons are known for the "Dulles Warning". One was to secure US control over Okinawa, and the other to prevent a *rapprochement* between Japan and the USSR.[9] The strategic importance of Okinawa increased as the Cold War escalated in the Asia-Pacific. The United States did not have a strong basis for its retention of Okinawa. If Japan settled the "Northern Territories" problem with the USSR, there would be considerable pressure on the US to vacate Okinawa. The US administration officially supported Japan's "four islands" claim, not because it necessarily considered these islands distinct from the Kuriles, but because it knew the claim would be unacceptable to the USSR. The primary objectives of US Cold War policy in the Asia-Pacific were to secure Japan for the Western bloc. The "four islands" claim was a "wedge" set in place to prevent Japan from achieving a *rapprochement* with the USSR.

In the domestic arena the "1955 System" came into being, also reflecting Cold War politics. Policies toward peace negotiations with the USSR became political bargaining tools between the two conservative parties, the Liberals and Democrats upon their merger. In order to form a large

ruling party in opposition to the then-strengthening socialist parties, Prime Minister Ichiro Hatoyama of the Democratic party compromised with the Liberals lead by former Prime Minister Shigeru Yoshida.

In terms of norms, the development of the "Northern Territories" policy of this period may be explained as a result of the complex interaction of different groups, which held different norms or beliefs on "appropriate behavior" toward the USSR. Hatoyama and his entourage were pushing for a quick settlement with the Russians. They believed that a multi-directional peace diplomacy suited the national interest, as Japan had to solve pending questions with the USSR, such as the Japanese POWs detained in Siberia, the UN membership and fishery problem, in addition to the territorial problem. In contrast, Yoshida and people close to him, who came to form a strong faction in the ruling party upon the LDP merger, were governed by different norms. They were traditionally pro-US and anti-Russian. To their eyes, the USSR had been a potential threat to Japan for a long time. There was deep distrust of the USSR, dating from even before the Cold War. The Cold War further provided structural base for their perspectives. They considered that being under the US umbrella would be more suitable to Japanese national interests, rather than reconciling with the USSR, which they further believed would encourage communist influence in Japan.

With respect to international or legal norm of observing international agreements, the new addition was the 1951 San Francisco Peace Treaty, in which Japan renounced the "Kurile Islands" together with other territories. In the initial stage of the Japanese-Soviet negotiation both Hatoyama and Yoshida factions agreed in setting the goal on the "two islands" that were "not part of the Kuriles". But Hatoyama's side thought that a peace treaty would be concluded if Japan could achieve return of two islands, while the Yoshida faction, including elements in the MOFA, thought peace could be prevented by establishing this condition, since the USSR would not agree to return the two islands.[10]

The "four islands return" claim was originally proposed by the MOFA as one of negotiating strategies to extract the "two islands" offer from the USSR.[11] However, since the Soviet "two islands" offer came through unexpectedly so quickly, the MOFA hardened its position and requested the instant return of the "four islands". In the meantime, because of the political struggle among the conservatives, the negotiating strategy toward the USSR, which had originally been set with the bureaucracy leadership, became disorderly.

Although the new main players were politicians, not bureaucrats, decision making towards

the USSR during the 1955-6 negotiations showed similar features to the pattern called the Government Politics Model, Bureaucratic Politics Model, or Allison's Third Model, in that the actual policy outcome was the product, not of an intellectual process nor of routine organizational procedures, but of intra-governmental bargaining, or pulling and pushing among individual policy actors. The players were not necessarily guided by a consistent strategic master plan, but rather by conflicting conceptions of national and personal goals. The basis of the territorial policy was largely established by this process. T ossed about by the waves of political battle within the conservative parties (or later the ruling party), policy towards the USSR lost direction and consistency even without a change of the premiership.

Can the US intervention be explained in terms of international or legal norms? The US had participated in all of the relevant wartime Allies' agreements. Yet, the US now based its argument on the San Francisco Peace Treaty, specifically its Article 26. The Article states "Should Japan make a peace settlement or war claims settlement with any State granting that State greater advantages than those provided by the present Treaty, those same advantages shall be extended to the parties to the present Treaty." Dulles argued that, since transfer of territories to the USSR had not been mentioned in the San Francisco Treaty, Japanese acceptance of the Soviet proposal to return only some of them would mean Japan was granting greater advantages to the USSR than to the US, and in that case Article 26 would enable to the US to claim Okinawa.[12]

On August 28, 1956, nine days after the "Warning", Dulles was quoted as follows.

> That clause was put in the treaty – I wrote the treaty very largely, as you may remember – for that very purpose of trying to prevent the Soviet Union from getting more favorable treatment than the US got.[13]

This is, of course, the Cold War logic. The Yalta Agreement that promised the territorial transfer to the USSR was completely ignored here.

"Habomai and Shikotan" of the Joint Declaration may be explained as an example, in which a domestically predominant norm perverted an international one. Prior to the summit, in September 1956, in the exchange of letters between the Japanese and Soviet premiers (Hatoyama-Bulganin letters), the two countries agreed to restore diplomatic relations, just as the USSR and West Germany had done in the previous year (1955), by shelving the territorial issue and a peace treaty, i.e., taking the so-called *Adenauer Formula*.[14] It was an agreement between the Japanese and Soviet top leaders. However, the Japanese side brought up at the summit the territorial issue that was not supposed to be discussed there. This is because of an LDP *ad hoc* decision made

right before the Moscow summit. The official diplomatic agreement was perverted by the domestic political agreement, which was made not by Diet nor cabinet, but a party.

The Japanese representatives (Hatoyama, Kono etc.) at the Moscow summit were party politicians. They could not go back to Japan without raising the territorial issue as required by the new party decision. However, it was already clear from the past negotiations that the Soviet would not accept the four islands demand. After discussions, the long period of negotiations between the two countries finally ended with the above territorial clause. Though consensus was reached on the terms of the Joint Declaration, it had to be interpreted in such a manner as to preserve the plenipotentiaries' face at home. Thus, another set of letters, known as the Matsumoto-Gromyko letters were announced and interpreted together with the Joint Declaration. Those letters, also exchanged preceding the summit, conveniently stated that the USSR and Japan agreed "to continue negotiations on the signing of a peace treaty, which would also include the territorial issue, after the re-establishment of normal diplomatic relations."[15] That is the Habomais and Shikotan were promised in the Joint Declaration, and the question of Kunashiri and Etorofu was to be settled during negotiations for a peace treaty. In the end, there was no peace treaty between the two countries and the "Northern Territories" problem remained as the biggest obstacle for normalization of their relations.

## "Northern Territories" Policy after the Restoration of Diplomatic Relations: Toward Consolidation of the "Four Islands Return" Thesis

After the restoration of diplomatic relations, Japan began to strengthen its case for separate treatment of Etorofu and Kunashiri from the rest of the Kuriles, and the "four islands" claim of Japan came to be consolidated during the Cold War years. In addition to the existing arguments, which the MOFA had prepared since early post-war years, the new thesis "the four islands not being part of the Kuriles" emerged. This argument was hammered out as a formal government position of Japan under the Ikeda government in the early 1960s.[16] In the meantime, the USSR also hardened its position, and started to claim that the territorial problem had already been solved in a series of international agreement and no longer existed.

In 1973 and 1991 bilateral summits were held between Japan and the USSR. By those occasions, the "four islands" goal of Japan had become solidified. Yet, from around the period preceding the 1973 summit, various "Northern Territories" policies emerged, including hard line and soft line positions. The most rigid position was to demand return of all four islands as the

"entry point" or prerequisite for improved relations (*iriguchi-ron*). Similar to this position was the policy of "no separation of politics and economics (*seikei fukabun)*". In contrast, soft positions include "separation of politics and economics (*seikei bunri*)" and defining solution of the territorial issue as an outgrowth, or "exit", of overall improvement (*deguchi-ron*).

The policy of *seikei bunri* existed in the 1970s, although it tends to be forgotten. For example, Foreign Minister Masayoshi Ohira told the Foreign Affairs Committee of the House of Representatives on March 7, 1973,

> ...we consider that the economic cooperation and the territorial problem are not issues to be linked, and not issues that should be linked...[17]

Similar to this policy was the "balanced equilibrium (*kakudai kinko*)" that emerged in the 1990s. The idea was to promote overall improvement in relations encompassing many other fields in a balanced form, though continuing to include solution of the territorial problem and signing of a peace treaty as the most important items on the agenda.[18]

An option of "phased return (*dankai henkan-ron*)" also existed in the 1970s, although it was announced by the MOFA as if it had been a new policy in the 1990s.[19] During the course of the 1973 summit, *Nihon Keizai Shimbun* reported that Prime Minister Kakuei Tanaka suggested to his Russian counterparts;

> If Japanese sovereignty over the four islands is recognized, the timing of returning the Habomais and Shikotan, as agreed to be returned upon signing of the peace treaty, and the remaining islands of Kunashiri and Etorofu could be differentiated.[20]

There was also a "buying" proposal, which came out to overcome negotiation stalemate. In March 1972, at an LDP National Land Development Research Council (*kokudo kaihatsu kenkyu-kai*) meeting the head of the Japan Chamber of Commerce and Industry, Shigeo Nagano, suggested "buying the Northern Territories" from the USSR, using Japan's increasing accumulation of foreign currency.[21] Although this ended as simply one domestic opinion and was not adopted then, the proposal was actually pursued in the 1990s. Former Russian Foreign Minister A. Kozyrev disclosed in his memoirs that after diplomatic negotiations failed, a then leader of the ruling LDP (Ichiro Ozawa) offered $US 28 billion to buy the islands.[22] After all, however, all strategies failed and neither territorial settlement nor peace treaty were ever concluded between Japan and the USSR.

Consolidation of the "Four Islands Return" Thesis

The Japanese-Soviet bilateral summit of 1973 and 1991 took place against the background of the global détente. By the 1970s summit, the Japanese international position had significantly altered from the defeated nation, as it had grown to be the second largest market economy. The Siberian development and the economic assistance to the USSR were major pending questions of the Japanese diplomacy toward the USSR in the early 1970s and the 1990s respectively.

After the restoration of diplomatic relations with the USSR, the Japanese decision-making on the "Northern Territories" policy was quite monolithic. Once the national goal was set, the administrative body MOFA, especially its Russian School, has been in charge of making concrete policy to achieve the goal. Yet, politicians occasionally voiced individual positions for various reasons.

The policy of separation of politics and economics (*seikei bunri*) first emerged in the early 1970s, a time of emerging resource nationalism, in response to the pressure from the Japanese business community, which was interested in Siberia for alternative sources of natural resources, and accordingly positive about *rapprochement* with the USSR. The voices calling for *seikei bunri* became strong again since the end of the 1980s, as there was a concern that Japan's relations with the USSR were not improving much, while the Gorbachev administration was improving its relations with many other non-Communist countries.

However, when it came preparing for the summit meetings, the MOFA took initiative in formulating the negotiating strategy. From its perspective, the peace treaty was not signed because agreement was not reached in the territorial issue, and the peace treaty and the territorial problem were inseparable issues. Thus, policy priority was replaced with the unresolved problem from the previous summits, i.e., territorial settlement as the precondition of signing a peace treaty. The political leaders obediently followed the manual prepared by the bureaucrats. As far as the territorial claim itself was concerned, Japanese Prime Ministers (Tanaka:1973, Kaifu:1991) could have no objection to the well-established claim for "four islands return", since the basis was set in 1956 upon the LDP establishment.

In hindsight, after the restoration of diplomatic relations, Japan appeared to have less incentive for a political rapprochement with the USSR throughout the Cold War period. Issues such as UN membership and repatriation of Japanese POWs, the major Japanese goals of the 1955-56 negotiations, had already been resolved. The return of Okinawa by the US once shifted the attention of irredentists from south to north, but the campaign did not acquire the intensity of that which had preceded the reversion of Okinawa.[23] While nearly a million Japanese lived on

Okinawa, none resided in the disputed islands. Not only in international politics, but also in domestic politics, LDP conservative's negative vision of the USSR long constituted an important part of political life, since it discredited the principal opposition parties - the Japan Socialist Party (JSP) and the Japan Communist Party (CJP). The traditional norm of the Yoshida group, "following the US and not dealing with the USSR would suit national interest", was inherited, and the existence of the "Northern Territories" problem was convenient excuse for it.

One thing to be noted about the Japan's "four islands return" thesis is that the claim itself has turned into a norm during the Cold War period. Since Japan renounced the Kuriles in the San Francisco Peace Treaty, it began to claim that those islands are not part of the Kuriles. While having continued to claim the "four islands return" and the "four islands not being the Kuriles" for a long time, those positions have become established as domestic norms of the "Northern Territories" policy, for which the Cold War and the 1955 system provided structural foundation both internationally and domestically. In the period leading up to the 1955-6 peace negotiations, the Japanese positions on the "Northern Territories" had been extensively discussed in many newspapers and journals. Since then, however, there had been little discussion or questioning regarding the "four islands claim" and/or its legitimacy until the late-1980s.[24]

The 1991 summit was held against the background of the warming East-West relations, or a series of the "end of the Cold War" movements, such as democratization of the USSR and Eastern European countries, and the collapse of the Berlin Wall. Yet, the Japanese negotiation policy presented strong continuity or cyclical pattern since the previous summit of 1973. The "four islands return" claim remained the same. So did the hard line approaches, as well as the soft approaches of the *dankai henkan-ron*, especially the way those policies were presented as "new policies".

In hindsight, Japanese policy decision making toward the USSR after the diplomatic restorations may be explained by the Organization Model, or Allison's Second Model, in which government policies are seen more as a result of routine or quasi-mechanical processes based on the standard operating procedure (SOP) of large government organizations, in this case the MOFA. (The role of norms is similar to the SOP in the sense that it "defines standards of appropriate behavior.") In this model, top leaders tended to lack independent control of policy.[25] Since policy is made on the basis of existing SOP, it inevitably attaches importance to precedents and tends to fall into incrementalism as a decisional pattern. That is, the decision of point "t+1" can be anticipated by seeing what kind of decision was made on point "t".[26] The SOP here is the

principle of the territorial negotiations. The territorial claim for "four islands return", whose basis was formed in 1955, had solidified by the early 1960s, and incrementalism added the economic card in the 1970s.

Though broad public discussion and government policy-making are not necessarily unconnected, government decision making in Japan often does not reflect the result of public discussion. This tendency seems to be stronger when supremacy in policy making rests with bureaucrats, who do not have to worry about the next election. Although the "1955 System" became unstable in early 1990s, the bureaucracy initiative in policy making remained the same. In fact, the instability of the political regime made the bureaucracy dominance even stronger.

In the meantime, Japan's negotiating counterpart was going through fundamental transformation in its political system since the late 1980s, i.e., the so-called Perestroika, and this affected its policy on the territorial problem. Since the introduction of "New Thinking" diplomacy, the USSR moved its position from "no existence" in the midst of the Cold War era to recognizing the existence of the dispute and allowing the "four islands" to be on the negotiation table. In 1991, eight months after the bilateral summit in Tokyo, the USSR collapsed to be succeeded by Russia.

## "Northern Territories" Policy in the "Post-Cold War" Era

Whereas there were only three bilateral summits in the Cold War Soviet-Japanese relations, more frequent political dialogues have been taking place between Japan and Russia, especially since the late 1990s. The first bilateral summit was held between Japan and Russia in Tokyo in 1993. After that, bilateral summits were held in 1997 (Krasnayarsk), 1998 (Kawana and Moscow), 2000 (St. Petersberg and Tokyo), 2001 (Irkutsk) and 2003 (Moscow). In fact, the top leaders of the two countries have met far more often, as there have been other summits in multilateral frameworks, such as G8 and APEC.

Japan still maintains the basic goal of the "four islands return". However, it has given up the hard line territorial positions such as *iriguchi-ron* or *seikei fukabun*. It also stopped emphasizing the "four islands" as being distinct from the Kuriles. The two countries set a deadline of 2000 for solving the territorial issue and signing a peace treaty, but it was not met. Japan also proposed a modified *dankai henkan-ron*, separating negotiations for the small two islands promised in the 1956 Declaration (Habomai and Shikotan) and the other two islands (Kunashiri and Etorofu). As

of April 2005, however, the territorial negotiations are stagnant.

## End of the Cold War, Bureaucratic Incrementalism, and Suzuki Scandals

By the time the first Japan-Russia summit meeting was held in 1993, there was general recognition that the Cold War structure collapsed both in international and domestic politics. Internationally, the "end of the Cold War" brought external pressure (*gaiatsu*) to the Japanese "Northern Territories" policy. In early 1990s Japan still continued to pursue its *seikei fukabun* policy, linking the territorial problem and economic assistance to Russia, not only in bilateral relation but also in international, e.g., the G7, arena. However, Japan could no longer obtain the same kind of international support as the Cold War era. It was left behind the global movement of the "post-Cold War", while persisting to its obsolete policy, and ended up facing criticism from its former Western allies for being narrow-sighted and unconstructive.[27] As a result of this *gaiatsu* the *seikei fukabun* policy virtually collapsed.

Domestically, the "1955 system" also collapsed in 1993. Yet, as far as the "Northern Territories" policy is concerned, the decision making structure has seen only minimal change. Even after the collapse of the "1955 System", the LDP has maintained its policy influence as the biggest opposition party, and since 1994 as part of the ruling coalition government. The leadership of policy formation has continuously been taken by the bureaucracy (MOFA) and followed the pattern of the Organization Model. In the series of changes in global circumstances since the late 1980's, however, the Japanese approach has hit the deadlock of incrementalism, presenting typical "irrational" bargainers in the revised Rational Actor Model of Glenn H. Snyder and Paul Diesing.[28]

Nevertheless, signs of change have emerged, although very slowly, with progress of research on the islands dispute. From the late 1990s, Japan stopped emphasizing "the islands are distinct from the Kuriles", because it became unable to say so. From the late 1980s, almost 30 years after the peace negotiations, a wide range of public discussion began regarding Japanese-Soviet relations and the territorial problem. Several scholars suggested "two islands plus alpha" formula, basing the territorial settlement on the 1956 Joint Declaration.[29] Among these, Haruki Wada's and Shichiro Murayama's studies regarding the extent area of the Kuriles became sensational, questioning the legitimacy of the government's "four islands" claim.[30] At the beginning, this position was criticized by many other scholars and government officials. However, since a long-sealed document crucial to this question was found in the Australian

Archives in mid-1990s, the situation has changed. The material, which the MOFA prepared in early post-war years, clearly recognized the bigger two islands of the disputed territories (Kunashiri and Etorofu) as part of the Kurile Islands.[31] In the late-1990s, the Japanese government policy options included *nito senko henkan-ron* (or *doji heiko kyogi*), which is a modified *dankai henkan-ron*, separating but simultaneously negotiating return of the small two islands and the bigger two islands.[32] At the 2001 Irkutsk sumit, this policy was actually proposed by the Japanese Prime Minister Mori to the Russian President Putin.[33]

Bilateral negotiations did not make any further progress after this Irkutsk summit. Upon her appointment, the Foreign Minister Makiko Tanaka in the succeeding Koizumi Cabinet reversed the position back to the traditional one for the return of all four islands in one batch (*yonto ikkatsu henkan*). Tanaka was later dismissed, as she tried to "reform" the MOFA and encountered strong opposition by the resisting bureaucrats and the LDP politician Muneo Suzuki, who then had unusually strong influence in the MOFA. However, the situation even deteriorated further with a series of political scandals surrounding Suzuki, and eventual purge of himself and the MOFA's Russian specialists close to him (e.g., the former head of the European and Oceanian Affairs Bureau, Kazuhiko Togo, and a chief analyst of the Intelligence and Analysis Bureau, Masaru Sato). Those individuals had been the key policy makers promoting progressive policies including the modified *dankai henkan-ron*.

In hindsight, the Japanese negotiating counterpart (USSR/Russia) has always been consistent in that the "four islands" solution is unacceptable. Although its official positions shifted several times in the past, it has also been consistent in presenting the realistic solution of the "two islands" offer. In the early-1970s the USSR unofficially suggested settlement with the "two islands" offer.[34] In 1992 Russia also made a similar suggestion.[35] At the Irkutsk summit of 2001, Putin for the first time recognized the legitimacy of the 1956 Joint Declaration, but did not commit himself to continuing negotiations over the two bigger islands.[36]

For nearly a half century, Japan's "Northern Territories" policies have been formulated under the MOFA leadership. However, the bureaucracy's work is structurally and functionally to carry out a governmental policy, and it is impossible for it to change the "four islands" goal that had been decided by political decision. It was probably the case that those recently purged MOFA Russian specialists had realized the limit of the Japanese "Northern Territories" policy and foresaw a realistic settlement based on the "two islands" transfer. However, since they could not change the national goal of the "four islands" demand, it was kept in principle by adopting the

modified *dankai henkan-ron.*

The final settlement will require political decisions. But few politicians want to risk changes when the rewards are so limited. Muneo Suzuki was the exception. He enthusiastically involved himself in foreign policy issues, especially the "Northern Territories" problem. Many former residents of the disputed islands live in his constituency in Hokkaido, where interests in the issue are generally high. It is somewhat understandable that those purged MOFA officials, who were assiduously promoting solution of this problem, valued their relations with Suzuki. Yet, their way of promoting territorial negotiations with Russia, particularly the modified *dankai henkan-ron*, which could possibly be interepreted as giving up the bigger two (Kunashiri and Etorofu) islands, was not necessarily welcomed by the MOFA and LDP conservatives. Furthermore, many MOFA officials did not appreciate the "special relations" and unusual control that Suzuki and certain officials had in the Ministry, thus eventually driving them out, by leaking inconvenient information for them.[37] After being tossed about by the waves of political battles involving the MOFA and the LDP, the "Northern Territories" policy has lost its direction again.

## Conclusions

In early post-war years, the Japanese policy of its territorial recovery was largely prescribed by the international position of Japan (defeated enemy), and the international norm, which Japan was expected to adopt as a standard of appropriate behavior, i.e., to accept surrender terms set by the victorious Allies. The realistic goal of Japanese territorial recovery was then "two islands return". Ten years later, Japan found itself in the Western bloc in the Cold War structure. Domestically, when the merger of the conservative parties took place to oppose the socialist parties, the Prime Minister Hatoyama conceded to the traditionally anti-Russian and pro-US Yoshida faction over the "Northern Territories" policy. The new LDP policy (i.e., national policy thereafter) of the "four islands return" was strongly endorsed by the US, not necessarily because of its legitimacy, but because of its unacceptability to the USSR. The present "four island return" claim was created as a result of the Cold War, and for several decades the Cold War continuously provided structural foundation for it both domestically and internationally. In the meantime, various negotiation policies directed to that goal were developed under the MOFA's initiative. Furthermore, the "four island return" claim itself has become a domestic norm in Japan. Even to this day, when the Cold War is generally considered to be over, this norm continues to prescribe Japan's "Northern Territories" policy.

Both norms and structures are important factors in shaping foreign policies. As exemplified in the policies over the Kurile Islands or "Northern Territories" in the past, norms are formed and adopted selectively in structural and historical contexts. Domestic structure certainly matters in foreign policy decision making, because which norm prescribes a policy depends on who, or which group, takes decision-making initiative. There are also important relations between international structures and norms. That international agreements should be observed in foreign policy formulation is an international and legal norm. However, countries make international agreements considering their status in the context of international relations (thus structure matters), and their compliance (i.e., as to which international agreement to observe) is selective. For example, the principle of "no territorial expansion", specified in the Atlantic Charter and the Cairo Declaration, was applied selectively to the defeated enemy countries, but not to the UK or other European colonial powers of the wartime Allies. The transfer of the Kuriles to the USSR in the Yalta Agreement did not comply with the principle of "no territorial expansion", but the Allied leaders (US, UK and USSR) agreed to it anyway as an incentive for the Soviet entry into the war against Japan. World War II and the Allies-Axis confrontation provided structural foundation for these agreements. On the other hand, the San Francisco Peace Treaty was created by the Western Powers, especially by the US, in the Cold War and the East-West confrontation structure, where the war-time international agreements were selectively observed, i.e., the Yalta Agreement was ignored. The international agreement that the US selectively abide by in its intervention of the 1956 Soviet-Japanese negotiation, the so-called "Dulles Warning", was this San Francisco Peace Treaty.

For the "Northern Territories" policy of Japan, whether it was the "two islands return" of the early post-war years or the "four islands return" after the mid-1950s, the importance that international structure prescribed these policies cannot be disregarded. That is, Japan complied international agreements in structural contexts – as a defeated country of World War II for the former, and as a member of the Western bloc in the Cold War confrontation for the latter. The "four islands return theory" was supported by the structural foundation of the Cold War both internationally and domestically, and established as a norm of Japanese foreign policy over the years, i.e., by the history of the Cold War.

Even after the "end of the Cold War", the Japanese "Northern Territories" policy still retains strong continuities from the Cold War era. Certainly, it is strongly prescribed by the domestic decision-making structure that retains strong continuity from the Cold War era, and the norms

and beliefs shared by the political leadership of Japan. However, one should not necessarily conclude that the international structural analysis is no longer adequate in explaining foreign policy. Unlike World War II and the Cold War periods, post-Cold War international order is not yet clear. Especially in the international security and political structure surrounding Japan in Northeast Asia, there remain continuities from the Cold War era, including the US-lead bilateral alliances and regional conflicts including the divided Korean Peninsula, Taiwan Strait problem, disputes over the Tokdo/Takeshima and Senkaku/Diaoyu, as well as the "Northern Territories". Thus, the Japanese policy may be interpreted in regional international structural context as one of the continuities that has not yet been reshaped in the post-Cold War era.

Although the post-Cold War direction is unclear, and the conservative or traditional position dominates the domestic policy making, Japan's "Northern Territories" policy no longer has the same kind of powerful structural support in international politics as the Cold War era. The US throughout the Cold War period supported the "four islands" claim of Japan. However, with the end of the US-USSR Cold War and the development of relevant studies, continuous US support on the "four islands" claim may become questionable in the future. In fact, the collapse of the the seikei fukabun in the G7(8) arena was a clear example of the limits of the Cold War policy. The set-back for Japanese territorial policy may be temporal.

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## Notes:

[1] For detailed studies on the "Northern Territorie" problem, see, for example, Kimie Hara, *Japanese-Soviet/Russian Relations since 1945: A Difficult Peace*, London/New York: Routledge, 1998; Tsuyoshi Hasegawa, *The Northern Territories Dispute and Russo-Japanese Relations, Vol. I, Between War and Peace, 1697-1985; Vol. II, Neither War nor Peace, 1985-1998*, Berkeley, CA: University of California, Berkeley, International and Area Studies, 1998; Hiroshi Kimura, *Nichiro kokkyo kosho-shi: ryodo mondai ni ikani torikumuka*, Tokyo: Chuokoron-sha, 1993; Takahiko Tanaka, *Nisso kokko kaifuku no shiteki kenkyu*, Tokyo: Yuhikaku, 1993; Haruki Wada, *Hoppo ryodo mondai o kangaeru*, Tokyo: Iwanami-shoten, 1990; *Hoppo ryodo mondai – rekishi to mirai*, Tokyo: Asahi shimbun-sha, 1999.

[2] Peter J. Katzenstein and Nobuo Okawara, "Japan, Asian-Pacific Security, and the Case for Analytical Eclecticism", *International Security*, Vol. 26, No. 3 (Winter 2001/02), p. 153.

[3] *The Foreign Relations of the United States (FRUS hereafter): 1955-57, Vol. XXIII*, 1991, pp. 208-9.

[4] Edwin O. Reischauer, *Japan: The Story of a Nation*, Fourth Edition, McGraw-Hill, 1990, p.213.

[5] Underlined by the author. Here "we" means the Allied Powers.

[6] The frontier between Russia and Japan had been established in 1855 by the Treaty of Shimoda, as passing between the islands of Etorofu and Urup. The rest of the Kurile Islands became Japanese territory by the Treaty of St. Petersburg in 1875, in exchange for Japanese renunciation of claims over Sakhalin. Thus the present "Northern Territories" were never Russian, the rest of the chain was Russian for only twenty years, and the status of the entire island chain was determined not by violence but by two Treaties, mutually-agreed by Russia and Japan.

[7] Shunichi Matsumoto, *Mosukuwa ni kakeru niji – nisso kokko kaifuku hiroku*, Tokyo: Asahi Shimbun-sha, 1966, pp.114-117; Masaaki Kubota, *Kuremurin eno shisetsu – hoppo ryodo kosho 1955-1983*, Tokyo: Bungeishunju-sha, 1983, pp.133-137; *FRUS: 1955-57, Vol. XXIII, Part I, Japan*, pp.202-3; Hara, *op.cit.*, pp.42-46.

[8] "Joint Declaration by the Union of Soviet Socialist Republics and Japan, Signed at Moscow, on 29 October 1956" (extract), *United Nations, Treaty Series: Treaties and International Agreements Registered or Filed and Recorded with the Secretariat of the United Nations*, No.3768, Vol. 263, 1957, p.114.

[9] For details, see Hara *op.cit.*, pp.42-46; Hasegawa, *op. cit., vol.I.*, p.115.

[10] Haruki Wada, "Hoppo ryodo mondai o saiko suru", *Sekai*, February 1992, p.224.

[11] Tanaka, *op.cit.*, pp. 164-5.; Hara, *op.cit.*, p.71.

[12] *FRUS: 1955-1957*, p.202-4; Hara, *op.cit.* (1998), p.45.

[13] Department of State for the Press: August 28, 1956, No. 450, Secretary Dulles' News Conference of August 28, 1956, FO371/121040, XC10742, Public Record Office, London, *also FRUS: 1955-57, Vol. XXIII*, 1991, p.211.

[14] Hatoyama's letter to Bulganin of September 11, 1956 stated, "Taking into consideration the particulars of the negotiations between the two nations to date, on this occasion making it a condition to continue negotiations regarding the territorial issue at a later date, I, the Prime Minister, notify that the government of Japan is ready to enter negotiations to effect the normalization of our diplomatic relations, if the Soviet Union agrees beforehand on the following point (1) ending of the state of war between the two nations, (2) mutual establishment of embassies, (3) instant repatriation of the Japanese detainees, (4) effectuation of the fishery treaty, and (5) support of the Soviet Union for Japan's joining the United Nations." (Hiroshi Shigeta and Shoji Suezawa ed., *Nisso kihon bunsho shiryo-shu: 1855-nen – 1988-nen*, Tokyo, Sekainougoki-sha, 1990, pp. 148-9.)

[15] *Ibid.*

[16] Wada, *op. cit* (1999), pp.273-6.

[17] 'Dai ichirui dai yon-go, Gaimu iinkai giroku dai yon-go, showa 48-nen 3-gatu 7-ka (7 March, 1973)', *71 kokkai shugiin iinkai kaigi-roku, 6, gaimu 1972-73*, p.11.; Hara (1998), p.125.

[18] Gaimusho daijin kanbo kokunai koho-ka, *Warera no hoppo ryodo 1993-nenban*, p.27.

[19] *Economisto*, September 15, 1992.

[20] *Nihon Keizai Shimbun*, October 10, 1973.

[21] *Asahi Shimbun*, 24 March, 1972., Alexander N. Panov, *Fushin kara shinrai e*, Tokyo: Simul Press, 1992, p.73.

[22] *Asian Financial Review*, February 2, 1995.

[23] On May 15, 1972, having been under the US occupation since 1945, Okinawa was returned to Japan (though the US military bases and facilities were retained). In the late 1960, reversion movement became intensified and the US agreed its early reversion. The formal agreement over the reversion was signed on 17 June, 1971 (which came into effect 15 May 1972). While the Okinawa's reversion had good legal ground, the uncertainty of the "hoppo ryodo" claim was covered with the irredintism education.

[24] Hara, *op.cit*, p.168.

[25] Graham T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis*, Boston: Little, Brown and Company, 1971, pp. 67-100.

[26] bid., pp.39-40.

[27] For example, one of the major criticisms came from a former US president, Richard Nixon. In his article contributed to the *New York Times*, March 5, 1993, Nixon condemned Japan for "conditioning aid on Russia's return of four tiny northern island".

[28] "The irrational bargainer is characterized by a rigid belief system that dominates his behavior. He knows from the onset of a crisis what the opponent is up to because he has studied the opponent thoroughly and understands his ultimate aims, bargaining style, preferences, and internal political problems. He also is a keen judge of men on his side, knowing whose opinions to value and whose opinions to ignore or bypass. ... Knowing the opponent as he does, he is not going to be duped by the opponent's tricks or deceptive statements, nor is he going to lose heart at temporary setbacks, alarms, and rumors, but continues firmly on his chosen strategy through all diversions and difficulties." (Glenn H. Snyder and Paul Diesing, *Conflict Among Nations: Bargaining Decision-Making and System Structure in International Crisis*, Princeton University Press, 1977, p.337.)

[29] Various arguments over the "Northern Territories" problem in the late-1980s are concisely summarized in *Sekai*, April 1990, pp. 146-60.

[30] Haruki Wada, "Chishima retto no han'i ni tsuite", *Sekai*, May 1986; Shichiro Murayama, *Kuriru shoto no bunkengakuteki kenkyu*, Tokyo: Sanichi-shobo, 1987.

[31] Kimie Hara, *New Light on the Russo-Japanese Territorial Dispute*, Working Paper No.1995/1, Department of International Relations, Research School of Pacific and Asian Studies, Australian National University, Canberra, May, 1995; *Asahi Shimbun*, July 12, 1995.

[32] "*Nito senko* 97-nen ni koso, Hoppo ryodo kosho de gaimusho", Asahi Shimbun, May 21, 2002.

[33] *Asahi Shimbun*, March 12, 2002.

[34] Kimura, *op.cit.*, (1993), pp. 148-9 ; Panov, *op.cit.* (1992), p.67. Hara, *op.cit.* (1998), p.141.

[35] "*Nito senko henkan*, 92-nen, roshia mo himitsu teian", *Asahi Shimbun*, May 21, 2002.

[36] *Asahi Shimbun*, March 13, 2002.

37 Sato has recently published his detail account and excellent analysis of the "Suzuki Scandall" and the MOFA's internal politics behind it. [Masaru Sato, *Kokka no wana – gaimusho no rasupuchin to yobarete*, Shincho-sha, 2005.]

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