

# Harvard intervenes to aggravate relations between Russia and Japan

by Kathy Wolfe

Professor Graham Allison of Harvard University circulated a confidential report to governments in late August, proposing that a supranational committee of Washington officials and U.S., Russian, and Japanese "scholars" take charge of the crisis between Russia and Japan over the disputed Kurile Islands, *EIR* has learned. Shortly after the document's arrival in Tokyo, Moscow, and Washington, Russo-Japanese relations blew sky high.

Titled "Beyond Cold War: Trilateral Cooperation in the Asia-Pacific Region; Scenarios for New Relationships between Japan, Russia, and the U.S.," the report was sponsored by Allison's "Strengthening Democratic Institutions" project at the Harvard School of Government. It proposes that the U.S. government hold conferences between Russia and Japan, resembling current Mideast "peace" marathon sessions in Washington.

The Sept. 14 issue of the *Washington Post* warmly endorsed Allison's plan, which would have Washington explore a "broad new role" in the Kuriles. "As catalyst and broker, the U.S. would help redraw security, economic, and political links" in the area, the paper said.

## Beware free market madness

Tokyo and Moscow should both beware. Allison was a major force behind introduction of his protégé, Harvard economics professor Jeffrey Sachs, as "adviser" to the Russian government. The "shock therapy" program Sachs designed for the International Monetary Fund (IMF) for newly freed former communist countries has destroyed both the Russian economy, and post-Cold War prospects for Russo-Japanese relations in the first place.

Such Harvard free market insanity led the government of President Boris Yeltsin to announce on Sept. 11 the provocative decision to lease part of one of the Kuriles, Shikotan Island, to Carlson & Kaplan Ltd., for 50 years. Carlson & Kaplan is a developer registered in Hong Kong which wants to construct a huge tourist gambling resort with casinos and race tracks on Shikotan. It is actually a "paper company," Japanese officials report, without even a phone listing in Hong Kong.

Such British consortia typically use the high cash turnovers in such gambling resorts to launder drug money.

## Relations could have been saved

Japanese-Russian relations did not have to go bad like this. When communism first crumbled, Tokyo's Ministry of International Trade and Industry proposed a grand plan to reindustrialize Russia, based on the model of the first U.S. Treasury Secretary Alexander Hamilton, on which Japan's own "economic miracle" is based (see *EIR*, July 24). Harvard's Sachs and his crony, Russian Finance Minister Yegor Gaidar, instead convinced Yeltsin to take the IMF's destructive free trade program. As we reported last week, now the IMF's collapse of Russia's economy has put Yeltsin in danger of a military coup by Great Russian chauvinists. The IMF, the British, and their Harvard co-thinkers, have thus created a perfect "Let's you and him fight" trap for Russia and Japan (in Japanese, *gyofu nori*). While the real problem is Yeltsin's mishandling of Russia's internal economy, Russian chauvinists seized on the Kuriles issue in mid-September to wildly attack Yeltsin. Valentin Fyodorov, governor of Russia's Sakhalin province, which rules the Kuriles, told the *New York Times* Sept. 13 that he has built a "nationalist resistance of generals, admirals, and members of the resurgent Cossack movement" to resist any return of the islands to Japan. "If Yeltsin returns the islands, I will resist!" Fyodorov said, "I will launch a national campaign. I will reject any agreement and I won't implement it."

Television news reports in Moscow Sept. 10 even spoke of military confrontation between Japan and Russia. Japan's request for return of its territory, a broadcast said, "could increase tension in the region. . . . It is clear that if Japan does not show its readiness to treat Russia as an equal partner, then a possible cooling of relations, which are not excellent as they are, will lead to attempts by Tokyo to block assistance to Russia by the leading industrialized nations," he said. Historian Alexander Alexeyev told the Sept. 11 issue of the former Communist Party daily *Pravda*, that Russia could even make a case for claiming the northern Japanese island of Hokkaido, which Stalin had wanted to seize in 1945.

The British, the Harvard crew, and the U.S. media, meanwhile, have blamed Japan since Yeltsin canceled his trip to Tokyo on Sept. 9, because Japan has refused to pour billions of dollars into Russia to bail out the very mess which the IMF created. To force through the Harvard plan for permanent conflict, the U.S. media are taking the side of the Russian chauvinists, and loudly blaming Japan for selfishly insisting upon return of the islands, which it refers to as the Northern Territories. Japan should not only immediately give up the Kurile Islands, editorialized the *New York Times* Sept. 14, in "Japan's Barren Diplomacy," but it should also immediately "show more magnanimity" and bail out the IMF in Moscow.

### Anglo-Americans set up dispute in 1951

While meddlers in Washington should be kept away from the Kuriles dispute, an interesting fact has come to light, found among the apologies the Harvard crowd is mustering to back U.S. intervention. According to Allison's office at Harvard and Prof. Yuri Stolyarov, head of Russia's Center for Japanese and Korean Studies, it was U.S. diplomat John Foster Dulles who created the current set-up for the Kuriles affair.

"The Americans caused the problem. This should be understood clearly," Stolyarov told the press on Sept. 11. "They are responsible for this argument." He contended that the Soviet Union was ready to sign the official Allied Powers peace treaty with Japan in San Francisco in 1951, when British agent-of-influence John Foster Dulles—who had been brought in as part of a bipartisan group to "advise" the Truman State Department on the 1950-52 peace treaty—threw a spanner into the works.

In fact, during most of the 19th century, Japan and Russia were *allied* for the mutual economic development of the Far East, including the Russian Far East, under the czars and, from the 1860s, under Japan's pro-industrial Emperor Meiji. In two comprehensive treaties, in 1855 and 1875—the latter shaped by Russian Count Sergei Witte, who had built the Trans-Siberian Railroad—Meiji Japan and Russia peacefully divided Sakhalin Island and the Kuriles between them, with Japan taking the four "southern Kuriles."

Neither Moscow nor Tokyo has yet realized that it was the British who started the trouble in 1905, by goading Japan into war with its ally Russia. Following the Russo-Japanese War, under advice from London that the Russian "heartland" of Europe must be humbled, Tokyo struck north and occupied half of Russian Sakhalin. The occupation continued until 1945, when, in retaliation, Stalin seized both Sakhalin and the entire Kurile chain. Stalin had waited until after the U.S. dropped the second atom bomb, on Nagasaki, on Aug. 9, 1945, before he declared war on Japan. Although Japan surrendered the next day, only on Aug. 18 did Stalin move Soviet troops into the four southern Kuriles. U.S. Gen. Douglas MacArthur, who wanted no Soviet occupation zone

in Japan, was furious.

Dulles, meanwhile, was anxious that no peace treaty be concluded between Japan and Russia. Dulles, Stolyarov said, intervened at the last minute to rewrite Article 2 of the Allied Powers peace treaty at San Francisco in 1951, to make it vague. "The night before the signing, Dulles changed a few articles in the agreement which harmed our country," Stolyarov said. From the original wording—"Japan rejected all claims to the Kurile islands 'in favor of the Soviet Union,' the last six words were struck out, so our delegation couldn't sign."

Dulles knew quite well that the Japanese have always insisted that the term "Kuriles" refers to the northern end of the island chain which Japan long ago ceded to the Russian Czar. The Japanese consider the four islands north of Hokkaido, now under dispute, to be the "Northern Territories."

"Dulles wished deliberately to keep them feuding," according to Allison's office at Harvard, "to keep Japan in the western camp and from signing a treaty with Stalin at all costs. There are U.S. State Department documents which show clearly that the Dulles State Department later regarded use of these islands as a way of deliberately seeking to foster a rivalry between Russia and Japan—and key relevant State Department documents are still classified."

Dulles's unhappy meddling should certainly be straightened out, but not by allowing further involvement of London and Washington in the Kuriles problem.

### Japan not deterred

"Asia has the potential to become a more powerful economic group than the European and North American groups in the early 21st century," said Japanese Prime Minister Kiichi Miyazawa in a Tokyo speech Sept. 10, reacting against the negotiations for North American and Maastricht free trade blocs. "Japan should now seriously consider how it can help its Asian neighbors."

Since Miyazawa's Washington speech this summer on Japan's development of Asia, which he also emphasized at the Group of Seven heads of state summit in Munich in July, London and Washington have been looking for reasons to cause a breakdown in Japan's relations with its neighbors. They will do whatever they can to stop Japan from using its capital and technology to industrialize the Russian Far East and the rest of Asia. British sources gloated over the cancellation of the Yeltsin trip to Tokyo in this regard. Reuters in London, for example, ran a long report Sept. 10, entitled "Japan Seeks to Play More Active Role in Asia," which concluded smugly that Yeltsin's cancellation could frustrate the effort. "Reduced U.S. involvement, China's new flexing of diplomatic muscle and the grouping of regional economies in North America and Europe, all make Japan want to be more active in Asia," but, Reuters said, Tokyo has blown the diplomatic opportunity by refusing to compromise over the Kurile islands.