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Re-establishing Economic Relations between Russia and Japan after the Russo-Japanese War: The 1907 Treaty of Commerce and Navigation

Yaroslav Shulatov

After the Russo-Japanese war of 1904-05, Russia and Japan faced a number of significant problems. The Portsmouth Treaty had put an end to the war, but left many contradictions between the two powers unsolved. After concluding the peace treaty, Russia and Japan had to start the difficult negotiations on the evacuation from Manchuria, the division of the Manchurian railway and Sakhalin, the P.O.W.s and similar problems. Besides the questions connected with the end of the war, St. Petersburg and Tokyo also had the important task of rebuilding relations with each other according to the new geopolitical situation arising out of the war of 1904-05. Japan was facing serious problems in the diplomatic field caused by the deterioration of relations with Great Britain and especially the USA, cautious of a possible war of revenge by Russia at the same time. The Tsarist government, permanently fighting with the revolutionaries, was trying to develop a new Far Eastern policy. The Russo-Japanese negotiations regarding the new Treaty of Commerce and Navigation, and the Fishery and Political Conventions were a major part of this complex diplomacy.

Research on these areas has been conducted from different national perspectives. L.N. Kutakov, S.S. Grigortsevich, and V.A. Marinov paid much attention to the negotiations between Russia and Japan on the prisoners of war (P.O.W.) problem, the Sypingai (Shihei-gai) memorandum, some aspects of the consultations concerning the fishery and Korean problems etc.[1] Yoshimura Michio, Kitaoka Shinichi and other Japanese researchers analyzed the diplomatic, military and strategic sides of the Russo-Japanese contacts after 1905.[2]

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1 L.N. Kutakov, *Portsmutskii mirnyi dogovor (Iz istorii otnoshenii Iaponii s Rossiei i SSSR. 1905-1945 gg.)* (Moscow, 1961); S.S. Grigortsevich, *Dal'nevostochnaia politika imperialisticheskikh derzhav v 1906-1917 gg.* (Tomsk, 1965); V.A. Marinov, *Rossiia i Iaponiia pered Pervoi mirovoi voinoi* (*1905-1914)* (Moscow, 1974).

2 Yoshimura Michio, *Nihon to Roshia: Nichiro-sengo kara kakumei made [Japan and Russia: From the Russo-Japanese War until the Russian Revolution]* (Tokyo, 1968); Kitaoka Shinichi, *Nihon rikugun to tairiku seisaku [The Japanese Army and Continental Policy]* (Tokyo, 1978); Kobayashi Michihiko, *Nihon no tairiku seisaku 1895-1914: Katsura Tarō to Gōtō Shimpei [Japan's Continental Policy, 1895-1914: Katsura Taro and Goto Shimpei]* (Tokyo, 1996); Matsusaka Yoshihisa, *Japanese Imperialism and the South Manchuria Railway Company, 1905-1914* (Cambridge, MA, 1993); Teramoto Yasutoshi, *Nichiro sensō ikō no nihon gaikō [Japan's Foreign Policy after the Russo-Japanese War]* (Tokyo, 1999) etc.

Almost every one of these and other scholars, who had researched related topics, also touched upon the Political Convention between Russia and Japan.

The present article focuses on the process of the reinstatement of Russo-Japanese economic relations – severed by the 1904-05 war, which have not been adequately analyzed,[3] and concentrates on the negotiations leading up to the Treaty of Commerce and Navigation. The conclusion of a new basic agreement, regulating commercial contacts between Russia and Japan, not only became an important part of the post-war settlement, it also appeared to be a reflection of political rapprochement between the two strongest powers in the Far East after the Russo-Japanese war in 1905-1907.

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At the Peace Conference in Portsmouth, Japan had clearly shown a strong desire to open a new page in Russo-Japanese relations, both political and economic. In the course of negotiations, the Russian delegation suggested that trade contacts be resumed on the basis of the previous Russo-Japanese Treaty of Commerce and Navigation (1895), but the Japanese side insisted on signing a new covenant. Russian representatives agreed with the reservation that the new treaty ought to be concluded on "the basis of the treaty that was in force previous to the... war"[4] (i.e. that was signed in St. Petersburg in 1895).

Japan's reluctance to resume economic relations with Russia by renewing the previous treaty reflected two tendencies. First, Japan longed to formally strengthen its entry into the so-called "club" of "powerful nations." The new treaty was to symbolize Japan's new status, not only in the eyes of Russia, but for the rest of the world too. Secondly, the Japanese elite were also trying to expand the privileges granted by the Portsmouth Treaty and increase Japan's economic influence in the Russian Far East.

In April-June 1906 Saionji Kimmochi's cabinet prepared a basic draft of a new Trade Treaty,[5] and a month later announced to the Russian side a desire to start negotiations. The head of Japan's legation in St. Petersburg, Motono Ichiro, became the Japanese Plenipotentiary. The Russian delegation was led by Senator N.A. Malevskii-Malevich, who would later be appointed the first Russian Ambassador to Tokyo (1908). On the Russian side, most of the negotiations were undertaken by the Ministry of Trade and Industry. However, some of the most important questions were discussed in other departments including the Ministry of Foreign Affairs and also by the *Osoboe soveshchanie* (Special

3 The attempt to trace the role of the new Treaty in postwar Russo-Japanese relations was made by V.A. Marinov: Marinov, *Rossiia i Iaponiia*, pp. 28-33.

4 The Treaty of Portsmouth, Article 12, *Nihon gaikō bunsho [Documents on Japanese Foreign Policy]*, 1905, Vol. 55. V. (Tokyo, 1960), p. 537.

5 See the full text of the draft in *Nihon gaikō bunsho*, 1906, Vol. 56 (Tokyo, 1959), pp. 82-93 (Japanese), 101-110 (English).

Conference of key ministers) under the guidance of the Chairman of the Council of Ministers, acting in his role as Chairman of the Council of Ministers.

The Commission, which was set up to work on the project of the Treaty, went into session on August 4th 1906. In the first meeting Foreign Minister A.P. Izvolskii introduced the Russian Plenipotentiary to Motono's delegation. The Japanese presented their draft, which contained eight additional items not included in the previous Russo-Japanese Treaty of Commerce and Navigation. As the Japanese Envoy stated, these items arose "from [the] circumstances recently created in [the] Far East."[6] Japan wanted to take advantage of the weakening of Russia's position in the region after the Russo-Japanese war.

Experts of the Russian Ministry of Trade and Industry noticed that some of the Japanese demands infringed on the "considerable economic interests of Russia" in the Far East by being "conventional concessions" and by "deviating from the base which was to be the foundation of a new treaty," i.e. "solely the principle of most favored nation."[7] Russian experts pointed at Tokyo's request to remove the import duties imposed on goods and merchandise from the Liaodong Peninsula, which had been imported into Russian territories across the Manchurian border. As a justification for this, the Japanese delegation cited the decree of Nicolas II to the Minister of Finance on May 14th 1904. This ukase temporarily suspended the force of the law "On taxation of some foreign goods, imported into the Priamur region" (implemented June 23rd 1900). It had been a temporary measure necessitated by the extraordinary situation: it facilitated the delivery of all necessary goods to the Far Eastern part of the Russian Empire during the war with Japan.

Japan hoped that this decree would give them the right to import goods and merchandise duty-free across the Manchurian border to anywhere within Russian territory. This demand was "flatly refused" by Russian representatives as "absolutely unacceptable" – they believed that if granted, it would have given the Japanese government "the opportunity of complete economic conquest not only of the Priamur region, but of a considerable part of Siberia."[8] Russian public opinion, business circles and officials, especially in the Far East, also feared Japanese economic expansion in the region after the war.[9] Then, according to the trade treaties with Great Britain, the USA and other nations, if Russia had conceded to Japan, other countries would have felt entitled to these privileges too. After the Russian government had denied this request, Japan

6 *Motono Ichiro to Hayashi Tadasu,* Dec. 30, 1906. Nihon Gaikō Shiryōkan (Japan Diplomatic Records Archive). File 2.5.1.71 [Nichiro tsūshō kōkai jōyaku teiketsu ikken (The Conclusion of the Treaty Renewing Trade and Commerce between Japan and Russia)].

7 Rossiiskii gosudarstvennyi istoricheskii arkhiv (RGIA), f. 40 [Obshchaia kantseliariia ministra finansov], op. 1, d. 61a, ll. 87-88.

8 Ibid., l. 88.

9 Hara Teruyuki, "Nichiro sensō-go no Roshia kyokutō – chiiki seisaku to kokusai kankyō [The Russian Far East after the Russo-Japanese War: Regional Policy and International Environment]," *Roshia shi kenkyu* 72 (Tokyo, 2003), pp. 10-11.

suggested extending import regulations, which had previously only been applied to Chinese goods, to the merchandise from Liaodong Peninsula. When the negotiations took place, Chinese goods, except tea and silver, were imported into the Priamur region duty-free under Article 939 of Russian customs regulations, although the import of bread, wine and vodka was forbidden. Russia also had the right to export goods to the North-East of China duty-free. However, the Chinese government was about to establish customs in Manchuria, so the Russian administration also planned to abrogate Article 939 and the duty-free import of Chinese goods. Taking into account the plans of St. Petersburg to eliminate the "porto-franco" regime in the Priamur region, the Japanese suggestion became a commitment not to impose higher import duties on Japanese goods than on Chinese goods. However, the Tsarist government considered China with its cheap labor force, natural resources and auspicious conditions for foreign capital investment to be a much greater trade rival than Japan, which was for Russia a strong military power first and foremost.[10]

Because of these factors, Russian plenipotentiaries gave their consent to the Japanese offer but limited its application to the territory of Priamur and the Maritime regions. Malevskii-Malevich's delegation also suggested extending the application of the new Treaty to the Liaodong Peninsula, in other words, to admit the import of Russian goods there on the basis of customs regulations for Chinese goods from Manchuria. Japan's delegation rejected this offer because of the "uncertainty of the legal status of the rented territory yielded by China."[11] By then, Japan had already signed an agreement with China regarding the status of the Liaodong Peninsula, so this argument was simply a pretext. On the other hand, according to the treaties with China, Russia theoretically already had more rights on the Liaodong Peninsula, than under the new Commerce Treaty with Japan. Moreover, from the very beginning of the negotiations, the Russian government did not intend to "obtain in Liaodong some special advantages."[12] For these two reasons the Russian representatives decided not to insist on their counter-offer.

Tokyo's demand to set the passport fees collected from Japanese citizens traveling or residing in Asiatic Russia at one half of the amount collected from Japanese subjects in European Russia was "absolutely unacceptable" to St. Petersburg. The Russian government was pursuing an active policy of colonizing the Far Eastern part of the empire with Russian settlers and feared an influx of Japanese into Siberia and the Far East. Therefore, this demand was also "firmly declined" by the Russian delegation.[13] Both sides finally reached a compromise: Russian visas for Japanese subjects who lived in the Russian empire would be valid for six months, and the passport fee for Japanese would not exceed fifty

10 RGIA, f. 40, op. 1, d. 61a, ll. 88-89.

11 Ibid., l. 90.

12 Ibid., l. 89.

13 Ibid., ll. 89-91.

kopeks. These clauses corresponded fully with the treaties Russia had signed with Germany, Austro-Hungary and other foreign countries.

The issue of whether to permit free navigation on the Sungari River to Japanese vessels provoked a lively discussion among the Russian elite. As the problem was political rather than economic it was the responsibility of the Ministry of Foreign Affairs. According to the Russo-Chinese treaties (Article 1 of the Aigun Treaty (1858) and Article 18 of the St. Petersburg Treaty (1881)), the Russian Empire was the only foreign state that had an "exclusive right of navigation on the Amur, Ussuri and Sungari [rivers]."[14] In November 1906 the Japanese government, citing the Portsmouth Treaty and the "open-door" principle in Manchuria, called for the Russian Foreign Office to permit Japanese vessels on the Sungari. If she had complied with Japanese demands, Russia would have broken bilateral agreements with China. As a result of instability in the Far East, the Tsarist government was afraid it could upset the balance of power in the region. Also, the river was the main waterway in the traditional sphere of Russian interests – Northern Manchuria. Its capital, the most "Russian" city in North-East of China – Harbin, – was located right on the banks of the Sungari. Because of the importance of the Sungari question for Russia, an *Osoboe soveshchanie* was organized on December 3rd 1906.

It is interesting that in that meeting the Minister of Finance, V.N. Kokovtsov, warned against the deterioration of relations with Japan due to the Sungari problem because it had "no political nor economic meaning," but the head of the Foreign Ministry A.P. Izvolskii, who was an active supporter of the agreement with Tokyo, took a cautious position, stating that Japanese demands "affect Russian fundamental interests... in China."[15] St. Petersburg's cabinet appeared to be facing a difficult choice. Although the Japanese demand was insignificant from an economic perspective, its acceptance could have had serious political consequences. First, Japan's entry into the "courtyard" of the Russian Far East could have led to the reinforcement of Japanese influence directly on the Russian borders. Second, if Russia had acknowledged the rights of a foreign state to navigate the Sungari without permission from Beijing, it could have dramatically worsened relations with China. The unilateral violation of Russo-Chinese treaties under Japanese influence would have damaged the imperial prestige of Russia. The Tsarist elite also feared that this could deepen the pro-Japanese and anti-Russian orientation of China if Beijing's cabinet witnessed a radical change of leaders in the region. The administration of the Priamur and the military were particularly afraid of this. Governor-General P.F. Unterberger in his reports to St. Petersburg frequently pointed out the danger of a possible (as he thought) Sino-Japanese alliance against Russia.[16]

14 Arkhiv vneshnei politiki Rossiiskoi imperii (AVPRI), f. Iaponskii stol, op. 493, d. 208, l. 85.

15 Marinov, *Rossiia i Iaponiia*, p. 30.

16 Rossiiskii gosudarstvennyi voenno-istoricheskii arkhiv (RGVIA), f. 2000 [Glavnoe upravlenie General'nogo shtaba], op. 1, d. 6640, ll. 29-33, 35-36 etc.

On the other hand, the Russian Ministry of Foreign Affairs realized, that after the evacuation of troops from Manchuria, Russia had to take a "defensive position" in the Far East.[17] Therefore, it was considered to be inexpedient to be inflexible on a question that was not vitally important. The final statement of the *Osoboe soveshchanie* pointed out that the Russian Foreign Ministry ought to have taken "all available measures" to obviate Japanese demands regarding the Sungari. At the same time, it declared that: "it cannot be admitted that this question has importance, which could justify possible aggravation of our relations with Japan" if the problem could not be solved in Russia's favor.[18]

The issue of the Sungari became less pressing at the beginning of 1907, when Russia and Japan started consultations regarding the general political agreement between the two countries. Nevertheless, although the proposal of dividing Manchuria into Russian and Japanese spheres excluded intervention by each side in the affairs of the other, the Japanese refused to abandon attempts to gain the right to use the key waterway of Northern Manchuria. At the end of 1909 the Russian government was negotiating with the Tokyo cabinet in order to obtain "Japanese renunciation of navigation rights on the Sungari River," but they couldn't reach a compromise. The question remained open, but Russia de-facto maintained the exclusive right to use the Sungari.[19]

The other Japanese demand was to establish consulates in Vladivostok, Nikolaevsk and a consulate branch office in Petropavlovsk. The issue of the consulate in Vladivostok was discussed at the meeting of the Russian Council of Ministers on April 17th 1906. It was decided that Japan should be allowed to create a consulate there if they agreed to the opening of a Russian consulate in Tsuruga. The problem of opening a consulate in Nikolaevsk was not solved easily. At first the Russian government tied up the dispute over that question with the negotiations on fishery conventions.[20] Soon it became obvious that Russia would be compelled to concede to Japan extensive fishing rights, so that limiting a "considerable influx of Japanese" into the territory of the Russian Far East appeared to be extremely difficult. Therefore, the Tsarist government came to the conclusion that the presence of Japanese officials in these provinces "would give us indubitable advantages and conveniences."[21] In exchange for permission to open a Japanese consulate in Nikolaevsk, Russia obtained the right to create a consulate in Otaru. Japan's demands regarding the consulate branch office in Petropavlovsk were refused, although later the majority of Japanese fishing enterprises were located exactly in that region.

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17 AVPRI, f. Iaponskii stol, op. 493, d. 202, l. 7.

18 I.V. Bestuzhev, *Bor'ba v Rossii po voprosam vneshnei politiki 1906-1910* (Moscow, 1961), p. 163.

19 AVPRI, f. Iaponskii stol, op. 493, d. 208, ll. 84-86.

20 RGIA, f. 40, op. 1, d.61a, l. 90.

21 Marinov, *Rossiia i Iaponiia*, p. 29.

According to the Portsmouth Treaty, both countries were meant to have given each other the rights of "most favored nation." During the course of the negotiations the Russian delegation suggested stating this principle more emphatically, as it had been stated in the trade treaties between Russia and other countries. St. Petersburg's plenipotentiaries thought that the rewriting of this clause would better protect the rights of Russian traders from additional customs duties in Japan. But the Japanese Envoy Motono Ichiro claimed that Article 14 of the previous Russo-Japanese Treaty of Commerce and Navigation (1895) would secure the above-mentioned interests of Russia sufficiently well, so Malevskii-Malevich's delegation agreed to put that article into the new Treaty without changes. St. Petersburg and Tokyo also arranged to insert the questions regarding coastal navigation for Russian vessels between open Japanese ports, and the estates of Russian citizens in Japan into the clause of "most favored nation" – both had been included in the Treaty of 1895 separately. Japan also reaffirmed the obligation to sign an agreement on the protection of trade and industrial property, which was completed in 1911.

In an internal document of May 27th 1907 the Russian Ministry of Trade and Industry observed that the new Treaty of Commerce and Navigation had been generally, as decided in Portsmouth, based on the previous Treaty, and the newly added articles were not "decisions of principal importance."[22] Russians and Japanese had gained the right to purchase land and realty in both countries on an equal footing with other foreign citizens in accordance with existing laws.[23] The new Treaty was practically no different from the analogous treaties Russia had signed with other foreign countries. It had a similar character and was based on the principle of mutuality – the rights of Russian citizens in Japan were equivalent to the rights of Japanese subjects in the Russian Empire.

In the enclosure to the Treaty the two countries enumerated the privileges and advantages, which exceeded the bounds of the "most favored nation" regime. Thus, Russia gave some privileges to bordering countries in order to facilitate trade turnover in the frontier zone and to stabilize supplies to the Northern coast of the Asian part of the empire. Therefore, the Russian delegation offered to insert into the treaty a clause declaring that the above privileges did not contradict the resolutions of the new Russo-Japanese treaty. First of all, it pointed out the commercial advantages given to China in the 50-verst[24] zone along the land border. The Japanese government had agreed not to aspire to these privileges if Russia allowed particular commercial relations of Japan with Korea and the countries of South-Eastern Asia. This demand aroused

22 RGIA, f. 40, op. 1, d. 61a, l. 91.

23 By that time in Japanese law there was no term of private property on the land. Instead of it they used "the right of eternal lease." According to the new treaty, Russian citizens could use this right.

24 One verst is equal to 1.06 km or 3500 feet.

almost no opposition from the Russian government. By the summer of 1906 they had decided to acknowledge completely the dominant position of Japan on the Korean peninsula,[25] so Russia was ready to admit the special status of Japanese-Korean commercial relations. The question of Japanese trade with South-Eastern Asia concerned the Russian elite even less than the previous problem. As they stated, "both in Korea and Asian countries, lying to the East of the Malacca Strait, Russia had very few real interests" compared to Great Britain, Germany and France, which owned colonies and protectorates in that region.[26] It was assumed that these powers would have objected seriously to Japanese attempts to gain a foothold in South-Eastern Asia. In contrast to these countries, Russia could yield here easily. By "meeting Japanese wishes in this question," the Russian officials thought they had done Japan a "large moral good turn" and deserved "her (*Japan's*) gratitude" without "any victims from our side."[27] As a result, St. Petersburg decided to accept the Japanese government's offer.

The Russian side also inserted into the Treaty a secret note pledging not to introduce to the State Duma a bill regarding differential tariffs for the goods imported into the Priamur region. In return, Japan secretly agreed to continue imposing customs duties upon kerosene by volume not weight, in accordance with the wishes of Russian business. Kerosene constituted a substantial part of Russian exports to Japan[28] but it was heavier than the kerosene from the USA. Therefore, imposing import duties upon kerosene by volume was profitable for Russian exporters who could then sell it by weight.

* * *

The new Treaty of Commerce and Navigation was signed July 28th 1907, the same day as the Fishery Convention. It was an important step in the post-war settling of Russo-Japanese relations. It raises some important points.

To begin with, this agreement became the first equal treaty Japan had signed with a "great power."[29] That became one of the significant results of the victory in the war, which exceedingly stretched the military, financial and human resources of the Japanese Empire. The privileges given by Russia and Japan to each other had a mutual character and the treaty itself corresponded

25 Ia.A. Shulatov, "Koreiskii vopros v rossiisko-iaponskikh otnosheniiakh v 1907-1907 gg.," *Vostochnyii Arkhiv* 11-12 (Moscow, 2004), pp. 132-142.

26 RGIA, f. 40, op. 1, d. 61a, ll. 94-95.

27 Ibid.

28 In 1903 the rate of kerosene in Russian exports to Japan was 50% and exceeded the sum 4.5 mil. yen. Even when commercial relations were restored in 1905, this rate was more than 90%. Marinov, *Rossiia i Iaponiia*, pp. 31-32.

29 That is, a developed European power with large military and economic potential, because the very first equal treaty Japan had signed was with Mexico in 1888.

to the analogous agreements between the great powers. The Japanese policy-makers appreciated this fact. Motono Ichiro pointed out in his report to the Foreign Minister Hayashi Tadasu with satisfaction that Russia had found "no obstacle to accord, on the condition of reciprocity, to Japan favors which generally are accorded to other Powers."[30] In the situation in which unequal agreements with great European countries and the USA were still valid, Russia became the first of the leading powers to recognize de jure the entry of the Japanese Empire into the so-called "club" of "powerful nations." The unequal trade treaties that had been concluded before with the USA, Great Britain and France were due to expire in 1911 and Tokyo flatly refused to extend them. As a result, Japan signed new agreements with these countries as an equal. Since the Russo-Japanese Trade Treaty of 1907 had been based on the principle of mutuality, it was automatically prolonged in 1911.

Soviet historiography used to emphasize the advantages of the Treaty of Commerce and Navigation for the Japanese side first and foremost.[31] Indeed, it is difficult to deny that the right of owning land in another state served the interests of Japanese subjects more than those of Russians. There were practically no Russian private businesses in Japan and the likelihood of more developing there appeared to be fairly small. In contrast, the simplification of the requirements for entry into Russia, in addition to the concession of extensive fishing rights to the Japanese led to the increase in the Japanese population in the Russian Far East and strengthening of Japan's economic – therefore political – role in the region.[32] The preferential import duties on goods and merchandise produced in Liaodong Peninsula so that they were treated equally to those from other parts of Manchuria also hid a potential danger for Russian trade since it was impossible to ascertain for certain that the goods had been produced in South Manchuria rather than Japan.[33] On the other hand, at that time Japan was not a developed industrial power. The traditional Japanese export item – silk, – had a very specific demand, and duty-free import of tea, which also had an important place in Japanese exports, was completely forbidden. Given the Russian government's plans to eliminate the "porto-franco" regime and duty-free import of Chinese goods, it is appropriate to conclude that the new Russo-Japanese Treaty of Commerce and Navigation offered no serious threat to St. Petersburg. Some of the Treaty's clauses were more profitable for

30 *Motono Ichiro to Hayashi Tadasu,* Dec. 30, 1906. Nihon Gaikō Shiryōkan. File 2.5.1.71

31 See Grigortsevich, *Dal'nevostochnaia politika*, pp. 133-135 etc.

32 Russian officials, especially in the Priamur and Maritime regions, were very guarded about the increasing of the Japanese population, but the Russian Far East did not became a place of permanent residence for them like Hawaii, North America, Brazil etc. About Japanese emigration to Russia, see Igor R. Saveliev, "Japanese across the Sea: Features of Japanese Emigration to the Russian Far East, 1875-1916," *Amerasia Journal* 23:3 (UCLA Asian American Studies Center, 1997/1998), pp. 103-117.

33 Grigortsevich, *Dal'nevostochnaia politika*, pp. 133-135.

Japan, others for Russia. So, mutual preferences, typical of any international agreement, cannot disprove the equal nature of the Treaty.

It is interesting to quote the opinion of the Russian Envoy in Tokyo Iu.P. Bakhmetiev regarding the competition of Russian and Japanese traders in Manchuria. Commenting on the development of Japanese trade and industry in the region, the Russian diplomat stated "we can contend with it only with the same weapon." Bakhmetiev appraised the competitiveness of Russian traders negatively: "Our merchants, with their obstinate reluctance to adapt themselves to local circumstances..., hardly could be successful competitors to cunning... Japanese; but again we can't blame them (*Japanese*) in this – the conditions are equal for everybody, it is only necessary to be able to use them."[34]

Another notable point is related to the political rather than the economic significance of the Trade Treaty. Russo-Japanese trade was an extremely small proportion of the export-import structure of both countries. Russian goods and merchandise did not exceed 0.5% of Japanese imports, and exports from Japan to Russia comprised only 2.5% of Japanese exports at their peak.[35] Therefore, trade did not occupy a very important role in Russo-Japanese relations. As the Assistant Minister of the Russian Foreign Office K.A. Gubastov summarized: "the concluded Trade Treaty... has far less economic than political meaning" because its main goal was "to facilitate the reinstatement of true neighborly relations" between two countries and "to put an end... to mutual suspicions."[36]

At the same time, in the secret appendix to the Treaty the geopolitical interests of the two empires were evident. The Russian government obtained Japan's agreement not to pretend to the preferential trade terms Russia had with bordering provinces of North China. In turn, St. Petersburg gave its consent to the special character of Japan's trade relations with Korea and the countries of South-East Asia, where Russia had very few economic interests. Moreover, Japan promised to use these advantages only after the expiry of commerce treaties with other powers in 1911.

Regarding the economic relations between Russia and Japan after the 1904-05 war, the negotiations on the Fishery Convention, which took place at the same time as the Trade treaty negotiations, were of major importance. The Russian promise to concede extensive fishery rights to Japanese subjects was one of the most important results Japan could achieve in Portsmouth. This problem took the key place in the post-war Russo-Japanese economic relations and the negotiations on the Fishery Convention led to heated discussion between St. Petersburg and Tokyo at the end of 1906. Finally, the Russians chose to make serious concessions to Japan on the security of further political coop-

34 AVPRI, f. Iaponskii stol, op. 493, d. 203, l. 100.

35 Marinov, *Rossiia i Iaponiia*, pp. 33, 86-91; Grigortsevich, *Dal'nevostochnaia politika*, p. 135 etc.

36 *Sbornik diplomaticheskikh dokumentov kasaiushchikhsia peregovorov po zakliucheniiu rybolovnoi konventsii mezhdu Rossiei i Iaponiei*: *Avgust 1906 – Iiul' 1907* (St. Petersburg, 1907), p. 257.

eration. By giving to the Japanese the right to bring the marine products fished from Russian territorial waters directly to Japan, the St. Petersburg' cabinet had basically excluded these items from the Russo-Japanese trade statistics. The engagement of granting to Japanese subjects the fishery rights along the coasts of the Russian Far East has been considered to be one of the biggest curtseys to Tokyo. Even A.P. Izvolskii who had been known for his pro-Japanese policy called this clause of the Peace treaty "the hardest obligation" among those imposed.[37] In short, the Fishery Convention is of major importance and deserves to be researched separately.[38]

The negotiations concerning the Treaty of Commerce and Navigation must be examined in the light of the general tendencies of the development of Russo-Japanese relations after the war and particularly with the question of political agreement. The Portsmouth Treaty put an end to the war but there was still serious tension between the two countries. Both Russia and Japan faced the problem of determining the policy further towards each other under conditions of mutual distrust. In 1906, the Japanese General Staff and its Chief Yamagata Aritomo prepared a document that defined the national defense policy (*kokubō hōshin*). According to this, Russia was named as the main potential enemy of the Japanese army and Yamagata himself feared a possible "revenge war" by Russia.[39] On the other hand, many Russian officials and a considerable part of society and the military also looked at the Japanese with suspicion fearing new possible aggression from Japan.[40] These factors obviously affected the atmosphere of the Russo-Japanese negotiations.

The situation changed in late January – early February 1907 when Russian Foreign Minister A.P. Izvolskii and Japanese Envoy Motono Ichiro started the consultations regarding the conclusion of the political convention between the two countries.[41] It was decided to divide the Far East into spheres of interests. According to the secret articles of the Russo-Japanese agreement, which was signed on July 17/30, 1907, Japan gained control over Southern Manchuria, Russia – Northern Manchuria. St. Petersburg also admitted special interests of Japan in the Korean peninsula; Tokyo did the same with Russian interests in Outer Mongolia.[42] Therefore, Japan and Russia defined the vector of the de-

37 Marinov, *Rossiia i Iaponiia*, p. 34.

38 About some of the aspects of the negotiations on the Fishery Convention see: Yaroslav Shulatov, "Problemy rybolovstva glazami diplomatov. Ekonomicheskoe uregulirovanie mezhdu Rossiei i Iaponiei posle russko-iaponskoi voiny," *Da'lnii Vostok* 6 (Khabarovsk, 2004), pp. 206-212.

39 See Yoshimura, *Nihon to Roshia*.

40 See the notes concerning Priamur Governor General P.F. Unterberger above.

41 Yaroslav A. Shulatov, "Rossiisko-iaponskie otnosheniia v dal'nevostochnoi politike Rossii v 1905-1914 gg." Dissertatsiia na soiskanie uchenoi stepeni kandidata istoricheskikh nauk (Dal'nevostochnaia akademiia gosudarstvennoi sluzhby, 2005), pp. 134-136.

42 E.D. Grimm, *Sbornik dogovorov i drugikh dokumentov po istorii mezhdunarodnykh otnoshenii na Dal'nem Vostoke (1842-1925)* (Moscow, 1927), pp. 169-170.

velopment of bilateral relations for the next few years and created the basis for further rapprochement.

Until the very beginning of the consultations concerning the political convention, there was extreme tension between St. Petersburg and Tokyo. Both sides took a very cautious attitude at the negotiations and showed no inclination to compromise, being unsure of the perspectives of the subsequent development of bilateral relations. That caused a stalemate in the negotiations on the Treaty of Commerce and the Fishery Convention at the end of 1906. Even in late January 1907 the Russian Plenipotentiary Malevskii-Malevich wrote to Minister Izvolskii regarding the absence of progress in the negotiations concerning the Trade Treaty.[43] The negative tendencies were solved successfully as a result of the initiation of the division of the region between the Russian and Japanese empires.

The Treaty of Commerce and Navigation, which had been signed two days before the Political Convention, became an important step on the way to the normalization of Russo-Japanese relations after the 1904-05 war, helping both countries to stabilize bilateral contacts and achieve a new level of cooperation. This Treaty was the first fruit of the process that culminated in the secret political agreement and became a reflection of the rapprochement between the two strongest powers in the Far East after the Russo-Japanese war.[44]

43 Grigortsevich, *Dal'nevostochnaia politika*, p. 132.

44 See the complex analysis of Russo-Japanese relations after the 1904-05 war in: Shulatov, "Rossiisko-iaponskie otnosheniia."