18 remaining islands from Uruppu to Shumushu were transferred to Japan in exchange for the relinquishing of Japanese interests in Sakhalin, provide a definitive answer, although the wording in this case appeared to favour the Japanese interpretation.⁹

Throughout the presentation of claims and counter-claims Soviet forces remained firmly established in the Northern Territories; in response the Japanese re-directed their approach to determine whether Moscow could be enticed to return any of the islands and to identify the first opportunity to broach the issue. This presented itself in June, 1955 when the two governments opened formal talks on the conclusion of a peace treaty and the establishment of diplomatic relations. After more than nine months of negotiations, however, the talks stalled on the question of the disposition of the Northern Territories with the Soviets insisting that the issue had already been settled. To reinforce this position, and in an action presaging later events when territorial and fisheries questions were implicitly linked, the Soviets announced (on the day following the extension of the talks) the establishment of a unilateral fishery control over a large area of the high seas in the Sea of Okhotsk to the east of the Kamchatka Peninsula.

Because of the serious adverse effects expected on Japanese fisheries operations, Tokyo dispatched the Minister of Agriculture and Fisheries to Moscow for more intensive negotiations. A fishery agreement was subsequently concluded in May 1956, but with the stipulation that its implementation would be subject to the conclusion of a peace treaty following resumption of diplomatic relations. Since it was clear to both sides that the Northern Territories dispute would continue to pose an insurmountable obstacle, it was agreed to proceed with the normalization of relations as quickly as possible. On 19 October 1956, a joint declaration was signed terminating the state of war and restoring diplomatic relations, but was understood by both Tokyo and Moscow as not constituting a formal peace treaty.

The Japanese did, however, make some progress on the issue, in that paragraph nine of the joint declaration stated:

"The Union of Soviet Socialist Republics and Japan agree to continue, after the restoration of normal diplomatic relations between (them), negotiations for the conclusion of a peace treaty. In this connection, the Union of Soviet Socialist Republics, desiring to meet the wishes of Japan and taking into consideration the interests of the Japanese state, agree to transfer to Japan the Habomais islands and the island of Shikotan. The actual transfer of these islands to Japan to take place after the conclusion of the peace treaty."

This undertaking was short-lived. The renewal of the Japan-U.S. Security Treaty in 1961 led Moscow to qualify its commitment by stating that the Habomais group and Shikotan could be transferred only after all foreign troops were withdrawn from Japan and a peace treaty signed between Japan and the Soviet Union. In response, the Japanese could