

1969 Report by UN Economic Commission for Asia and the Far East: A Turning Point in the Historical Debate over Senkaku Islands

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Abstract

Historical narratives, re-interpretations, and/or distortions of history have been critically linked to colonial legacies and experiences, with the objective to redraw frontiers and expand spheres of influence by some states in the name of history. In this reference, a seemingly escalating contest in the East China Sea appears to be getting intensely trapped in an unending state – a state, that of perpetuity involving a geo-strategic struggle between China and Japan revolving, among other issues, around the increasingly strained and strategically located Senkaku Gunto (Islands). This paper chronicles the history of the Senkaku Islands that can be segmented in sections highlighting the key milestones and defining the course of their existence. It remains well recorded and archived that the debate over the status of the Senkaku Islands was not highlighted as much until the decade of the 1960s. The contest being witnessed today remained relatively dormant till it reached a turning point in 1969. The contemporary history and ensuing future of the Senkakus potentially got ‘rediscovered’ by China with the discovery of huge deposits of oil and hydrocarbons in the waters surrounding the Islands in 1969 – a detection that prompted a series of vehement statements and counter-statements. The UN Economic Commission for Asia and the Far East (ECAFE) [thereafter known as the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)] conducted extensive geophysical surveys in 1968 and 1969, which suggested the possible existence of the ‘richest seabed with oil and hydrocarbon deposits’ in the waters off the Senkaku Islands, to the extent of being close to the one existing in the Persian Gulf. The strategic and economic consequences of the 1969 UN discovery provided fresh impetus to the interests, claims, and contest over the Senkaku Islands. This, in a way, summarizes the vital contemporary geopolitical and geo-strategic relevance to the Senkaku Islands, which remains embedded in history. Asia’s historical past during the 20th century and its preceding period will likely continue casting a shadow on its future stability.

Re-visiting Asia’s historical and geopolitical narratives often sparks the debate as to how nation-states and its peoples view the impact and fallout of political and strategic legacies carved out from the dusty pages of history. Asia’s past remains enmeshed in disputes, wars, economics, and politics, thus making an indelible mark on demographics, borders, political systems, laws and customs, economies, cultural influx, and, identities.¹ The defining trends of Asia’s colonial past continue to cast a shadow upon Asia’s future that remains firmly weaved with it.² The Asian experience does not get limited to historical connotations only. Historical narratives, re-interpretations, and/or distortions of history have been critically linked to colonial legacies and experiences, with the objective to redraw frontiers and expand spheres of

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¹ Monika Chansoria, “Influence of Asia’s Colonization: Debating the Past, Present, and Future of Territorial Issues,” *Japan Review*, vol. 2, no. 1, Summer 2018.

² Ibid.

influence by some states in the name of history.³ In this reference, a seemingly escalating contest in the East China Sea is trapped in an unending state. This state is one of perpetuity involving a geo-strategic struggle between China and Japan revolving, among other issues, around the increasingly strained and strategically located Senkaku Gunto (Islands). China's claims over the Senkaku Islands, which it refers to as Diaoyu Islands is structured around economic interests, domestic political compulsions, issues surrounding national identity and allegiance, requirements of international law and the long-standing baggage of historical grievances.

The history of the Senkaku Islands can be segmented in sections that highlight the key milestones, defining the course of their chronicled journey and existence. Even before the conclusion of the Treaty of Shimonoseki, archival evidence illustrates that Japan exercised effective control over the Senkaku Islands including the Cabinet Decision in January 1895.

Japan maintains that the Senkaku Islands were *terra nullius* before 1895 (i.e. islands that no nation has/had claimed sovereignty over) and “showed no trace of having been under the control of China”.⁴ Justifying this *terra nullius* status, Shimojo Masao states that the Chinese claim over Senkaku Islands, i.e., it being a part of Taiwan when it was incorporated into Qing China is contrary to the extent of the Qing China empire, based on documents from that period.⁵

The boundaries of Qing China ended at Mount Jilongshan on Taiwan, while the extent of the Ryukyu Kingdom ended at Gumishan (present-day Kumejima).⁶ Therefore, the Islands in between, including the Senkakus, were placed in “no-man’s land” [emphasis added]. For that matter, Japan’s contentions primarily stem out of them being *terra nullius* as per the contemporary mode of *effective occupation and control*.

On January 12, 1895, Japanese Prime Minister, Ito Hirobumi, and other members of the Cabinet were presented with an attachment paper under the title, “Secret No. 133: Matter Concerning the Placement of Markers.” Two days later, the proposal was brought before the Cabinet in a meeting held on January 14, 1895 and the following resolution was adopted:

The Home Minister has requested a cabinet decision on the following matter: the Islands, Kuba-shima and Uotsuri-shima, located north-westward of Yaeyama Islands under the jurisdiction of Okinawa Prefecture, have heretofore been uninhabited islands. Due to recent visits to the said islands by individuals attempting to conduct fishing related businesses, and that such matters require regulation, it is decided that [the islands] be placed under the jurisdiction of Okinawa Prefecture. Based on this decision, the Okinawa Prefectural Governor’s petition should be approved. Since there are no disagreements on the matter, it shall proceed based on the above decision.⁷

With Hirobumi’s final approval to the cabinet decision on January 21, 1895, Meiji Japan formally incorporated the Senkaku Islands into the Okinawa Prefecture. Thereafter, since 1895,

³ Ibid.

⁴ *Terra nullius* is a term used in international law to describe territory which has never been subject to the sovereignty of any state, or over which any prior sovereign state has expressly or implicitly relinquished sovereignty.

⁵ For more details see, Shimojo Masao, “A Rebuttal to China’s Fraudulent Claims on the Senkaku Islands,” [Shimane Prefectural Government publication, Tonomachi, Matsue city] available at <https://www.pref.shimane.lg.jp/admin/pref/takeshima/web-takeshima/takeshima04/takeshima04-2/jitsuji-41.data/SENKAKU-Shimojo.pdf>

⁶ Monika Chansoria, *China, Japan, and Senkaku Islands: Conflict in the East China Sea Amid an American Shadow* (Routledge, 2018).

⁷ Ryukyu Government, “Reference 3: Official Documents,” *History of Okinawa Prefecture*, vol. 13, 1967, p. 593.

they have been a part of the Okinawan Prefecture. Every successive Japanese government, till date, consistently regards the Cabinet Decision of January 14, 1895 as the foundation of its legal basis for asserting and justifying its claims over the Islands. Japan bases its sovereignty claim on the fact that it incorporated the Islands as *terra nullius* on January 14, 1895 and has continuously been occupying the Islands since then. The Government of Japan incorporated the Islands into Japanese territory by lawful means under the international legal framework, existing at that time. After the incorporation of the Senkaku Islands into Japanese territory, Japanese civilians settled on the previously uninhabited islands, having obtained permission from the Japanese government. Settlers ran businesses such as dried bonito manufacture and feather collecting. At one point, the Islands counted more than 200 inhabitants, and taxes were collected from the inhabitants. The Japanese government originally owned all of the Islands until 1932, when the ownership of Uotsuri, Kitakojima and Minamikojima, was transferred to a private Japanese citizen.⁸ After Japan's incorporation of the Islands in 1895, a private individual, Koga Tatsushiro and his descendant used some of the Islands for commercial purposes for several decades until World War II, also providing habitation for workers who were employed in his fish processing plant.

1920 Certificate of Appreciation by Consul of the Republic of China in Nagasaki

On an occasion in 1920, it was pointed out by a Japanese writer that the Chinese Consul stationed in Nagasaki acknowledged the Islands as part of the Okinawa District of the Japanese Empire by means of an official letter of appreciation issued by him. This incident is recorded evidence as it involved an emergency rescue mission. The contents of the letter thanked the people of Ishigakijima for rescuing Chinese fishermen who were washed ashore on one of the Senkaku Islands chain, identifying the Islands as part of the Okinawa prefecture.⁹ The contents of this letter of appreciation acknowledged that the Chinese Consul recognized the Islands as Japanese territory. This letter was first cited as evidence in the December 1972 edition of the *Okinawa Quarterly*, reading as follows:

During the winter of the eighth year of the Republic of China (1919), Guo Heshun, and thirty-one other fisherman from Huei'an Prefecture, Fujian Province, were met with contrary winds and drifted to Wayo Island, Senkaku Islands, Yaeyama District, Okinawa Prefecture, Empire of Japan. With the earnest rescue by Mr. Tamaesu from Ishigaki Village, the fishermen were able to survive and return to their homeland. Deeply moved by such neighboring sympathy and willingness to perform charity without hesitance, I hereby present this certificate to express my gratitude and thankfulness.

Feng Mian, Consul of the Republic of China in Nagasaki
May 20th The Ninth Year of the Republic of China [1920]

According to another letter by Robert Starr, Acting Assistant Legal Adviser for East Asian

⁸ Akira Kato, "The United States: The Hidden Actor in the Senkaku Islands," *Asia Pacific Bulletin*, no. 205, April 2, 2013, East-West Center, Honolulu (HI).

⁹ Text of the entire communication is available at http://www.mofa.go.jp/region/asia-paci/senkaku/pdfs/fact_sheet_03.pdf; for related reference and reading, also see, Okuhara "Senkaku Retto to Ryoyuken Kizoku Montai" (The Problem of the Right of Sovereignty Over the Senkaku Island) *Asahi Asian Review*, no. 22, 1972; also see, Official Release by the Japanese Ministry of Foreign Affairs; and see, "Japan-China Relations Surrounding the Situation of the Senkaku Islands in response to China's Airspace Incursion" *Gaimusho, Position Paper*, December 18, 2012; also see, S. Wei, "The Territorial Dispute over the Tiaoyu/Senkaku Islands: An Update," *Ocean Development & International Law*, vol. 36, no. 1, 2005.

and Pacific Affairs, dated October 20, 1971 – on the instructions of US Secretary of State William Rogers – the Okinawa Reversion Treaty, signed on June 17, 1971, and ratified by the US Senate on November 10, 1971, contained “the terms and conditions for the reversion of the Ryukyu Islands, including the Senkakus.”¹⁰ The Japanese Ministry of Foreign Affairs issued a statement on March 8, 1972, regarding “Rights to Ownership over the Senkaku Islands” making key assertions interpreted as follows:¹¹

- 1) Japan conducted deliberate investigation on the Islands between 1885-1895 and confirmed that China did not exercise control over the Islands and that they were *terra nullius*. The Japanese Cabinet Decision of January 14, 1895 incorporated the Senkaku Islands into Japanese territory.
- 2) The Senkaku Islands were *not* included in Taiwan and the Pescadores which were ceded by Article 2 of the Treaty of Shimonoseki in 1895. The Senkaku Islands were *not* part of the territory, which Japan relinquished under the San Francisco Peace Treaty.
- 3) The Senkaku Islands were legitimately transferred to Japan through the Okinawa Reversion Treaty 1971.
- 4) There was Chinese acquiescence until 1969-70.

As an institution, sovereignty revolves around the normative understanding and acceptance of political authority and international recognition, often interpreted to being the immovable cornerstone of the world order based on rule of international law. Traditionally, sovereignty has been conceived of as a singular, unified concept, recalling Hans Morgenthau’s argument that “If sovereignty means supreme authority, it stands to reason that no two, or more, entities can be sovereign within the same time and space”.¹² This primarily renders sovereignty as the final and absolute authority in a political comity. Placing this in the contemporary context, there are multiple and overlapping challenges to sovereignty and imbricating visions due to increase in global flows, and burgeoning economic and political interdependence. Between the autumn of 1969 and spring of 1971, the ‘revival of Japanese militarism’ came up to be a major foreign policy concern in Beijing, and, became the second-most visible international topic in the Chinese press, following the Indochina war.¹³ The Chinese perception of threats to regional security saw a marked swing to Japan, away from the border clashes with the Soviet Union which dominated the pages of Beijing’s major publications in 1969. According to a content analysis of *Peking Review*, between February 1969 and February 1971, there was relatively little attention to Japan prior to the autumn of 1969.¹⁴ Thereafter, there was a noticeably steady upswing in the space devoted to Japan until February 1971. During the initial few months of this period, the space devoted to Japan was consistently less than that on either the United States or the Soviet Union. Thereafter, the total pages devoted to Japan exceeded those on the Soviet Union for every month from November 1969 to February 1971, despite China’s major and more immediate concern over the

¹⁰ According to the Okinawa Reversion Treaty Hearings, 91st Congress, and see, Larry A Niksch, “Senkaku (Diaoyu) Islands Dispute: The US Legal Relationship and Obligation,” *Asian Affairs*, Foreign Affairs and National Defense Division, US Congressional Research Service, September 30, 1996.

¹¹ Published by *The Japan Times Online* 2004; for related reference also see, Caleb Wan, “Security Flashpoint: International Law and the Islands Dispute in the Far East,” *New Zealand Post-Graduate Law e-Journal*, no. 2, 2005, p. 18; and see, Reiji Yoshida “Is the Senkaku Row About Nationalism, or Oil?” *The Japan Times*, March 27, 2004.

¹² Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, (Knopf, New York, 1960).

¹³ William Saywell, “Japan’s Role in the Pacific and China’s Response,” *International Journal*, vol. 26, no. 3, Summer 1971 p. 508.

¹⁴ *Ibid*”.

expansion of the Indochina war.¹⁵

1969 UN Report: The Turning Point in Chinese Claims over Senkakus

As opposed to all the above, China has seemingly failed to provide hard evidence in backing up its purported claim of its presence and/or control/sovereignty over the Islands prior to the late 1800s, other than the usual “... since historical [ancient] times” argument. Under international law, appropriation of territory is legally strengthened by making it public and by not being contested during that particular period. The official incorporation of the Senkaku Islands by Japan would surely have come to the attention of succeeding generational leadership eras whilst they were put to use for economic purposes, resultant tax collection, and inhabitation by Japanese citizens, given that fishermen from Taiwan and China pursuing fishing activities in the area sometimes landed there to escape fiery storms. During the beginning of the 1950s, fishermen from Irabujima near Miyakojima were known to have stayed on Minami Kojima for up to three months to process bonito and maintain vegetable gardens.¹⁶

It remains well recorded and archived that the debate over the status of the Senkaku Islands was not highlighted as much until the decade of the 1960s. The contest being witnessed today remained relatively dormant till the time when it reached a turning point in 1969. The contemporary history and ensuing future of the Senkakus potentially got ‘rediscovered by China’ with the discovery of huge deposits of oil and hydrocarbons in the waters surrounding the Islands in 1969 – a detection that prompted a series of vehement statements and counter-statements among the claimants. The future of offshore oil development was conceivably one of the primary drivers behind China’s claims over the Senkaku Islands affecting 20, 750 square nautical miles of marine space and mineral resources in the region.¹⁷

Findings of the 1969 UN Economic Commission for Asia and the Far East

The UN Economic Commission for Asia and the Far East (ECAFE) [presently known as the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)] – the parent body of CCOP, conducted extensive geophysical surveys in 1968 and 1969, which suggested the possible existence of the ‘richest seabed with oil and hydrocarbon deposits’ in the waters off the Senkaku Islands. The ECAFE surveys further revealed that the continental shelf in the Yellow and East China Seas might be among the richest oil reserves in the world.¹⁸ The geophysical survey conducted in the East China Sea and Yellow Sea in October/November 1968 indicated that the continental shelf between Taiwan and Japan could contain one of the most prolific oil and gas reservoirs in the world, to the extent of being close to the one existing in the Persian Gulf. The survey was undertaken by the United States Government with participating geologists and geophysicists from Taiwan, Japan, and the Republic of Korea. During the cruise, more than 12,000 line-kms of continuous seismic reflection profiles were run with a 30,000 joule

¹⁵ Ibid., pp. 508, 513.

¹⁶ “A home away from home / Fishermen worked, took shelter, grew vegetables on Senkakus,” *Yomiuri Shimbun*, July 7, 2012; also see, Anthony Reedman and Yoshihiko Shimzaki, *A World of Difference: Forty Years of the Coordinating Committee for Geoscience Programmes in East And Southeast Asia, 1966-2006* (Bangkok, September 2006) p. 43.

¹⁷ For more details see, Martin A. Pratt, et al., *Jane’s Exclusive Economic Zones 1999-2000*; also see, Seokwoo Lee, “The 1951 San Francisco Peace Treaty with Japan and the Territorial Disputes in East Asia,” *Pacific Rim Law and Policy Journal*, vol. 11, no. 1, 2002, pp. 87-88.

¹⁸ For details see, Seokwoo Lee, “Territorial Disputes among Japan, China and Taiwan concerning Senkaku Islands,” *Boundary and Territory Briefing*, vol. 3, no. 7, 2002, International Boundaries Research Unit, Department of Geography, University of Durham, UK.

sparker and continuous geomagnetic profiles created simultaneously.¹⁹ The sixth session of the Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas (CCOP) was held at Bangkok, Thailand, 21-27 May 1969. The meeting was preceded by the fifth session of its Technical Advisory Group in the same month.²⁰

Following completion of the final analyses, compilations and illustrations ashore in the United States, the results of the survey were made public and published in the second volume of the Committee's Technical Bulletin.²¹ According to the results of the reconnaissance seismic profiling in the Yellow and East China Seas (Project CCOP-1/IZ.3) conducted in late 1968, Neogene sediments with a thickness of more than 1,000 meters distributed on the Korean continental shelf over three areas (D-1, D-2, and D-3) totaling about 80,000 sq km, were declared to be potentially containing huge accumulations of oil and natural gas.²² To obtain more definitive data on the extent and limits of favorable areas, and to determine the structure within these sedimentary basins, it was recommended that more detailed seismic explorations be conducted over the specified areas.²³ The spokesman for the US Woods Hole Oceanographic Institution, which conducted the UN survey, stated additionally that 80,000 miles² of the Taiwanese basin has late tertiary sediment which is more than 2,000 meters thick.²⁴

The May 1969 report²⁵ was reconfirmed later by independent Japanese as well as Chinese research – thereby strengthening China's desire and strategy to make abrupt and sudden post-1969 claims on sovereignty over a huge area of continental shelf and Exclusive Economic Zone. This conveyed China's objective to stake claim over billions of barrels of oil and rich fishing grounds which additionally were also very close to the strategic sea-lanes in East Asia.²⁶ This led to a sudden turn of events, and in 1971, China began publicly asserting claim to its sovereignty over the Senkaku Islands. The initial reports surrounding the Chinese claim appeared in print only in May 1970 followed by the government of the People's Republic of China putting forth its claim to the Islands, officially, only on December 30, 1971 following the report of the United

¹⁹ *UN Economic Commission for Asia and the Far East Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas (Report of the Sixth Session)* Held at Bangkok, Thailand, 13 – 27 May 1969, Published by the Department of Mineral Resources, Ministry of National Development, Thailand, June 26, 1969, pp. 5-6.

²⁰ *Ibid.*

²¹ *Ibid.*

²² *Ibid.*, p. 87.

²³ *Ibid.*

²⁴ V. H. Li, "China and Off-Shore Oil: The Tiao-yü Tai Dispute," *Stanford Journal of International Studies*, 1975, p. 143; for related reading see, *The Oil and Gas Journal*, August 10, 1970, p. 83.

²⁵ Zhiguo Gao and Wu Jilu, "Key Issues in the East China Sea: A Status Report and recommended Approaches" in Selig Harrison, ed., *Seabed Petroleum in Northeast Asia: Conflict or Cooperation?* (Washington D.C., Woodrow Wilson International Center for Scholars, 2005), p. 32; also see, *Report of the Sixth Session of the Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas*, U.N. Doc. E/CN.11/L.239 (1970), pp. 51-67.

²⁶ For related references see, Daniel J. Dzurek, "Effect of the Diaoyu/Senkaku Islands dispute on maritime delimitation," paper presented at the IBRU Conference on Borderlands under University of Durham, July 16, 1998, pp. 1-9; also see, Robert G. Sutter, "East Asia: Disputed Islands and Offshore Claims - Issues for U.S. Policy," Congressional Research Service Report for Congress, July 28, 1992; Ji Guoxing, "Maritime jurisdiction in the three China seas: options for equitable settlement," available at gopher://gopher-igcc.ucsd.edu;

Nations Economic Commission for Asia and the Far East.²⁷ Rejecting Japan's *terra nullius* claim, China contends that the Senkaku Islands were under Chinese jurisdiction since ancient times.²⁸ The valid title was obtained through the principle of discovery-occupation as early as 1372.²⁹ The official Chinese news agency, *Xinhua*, issued a dispatch in this reference in 2012 stating:

Diaoyu (Senkaku) and its affiliated islands have been considered part of China since ancient times. Chinese people were the first to discover, name and administer these islands...

However, having never established a permanent settlement of civilians or military personnel on the islands, nor collecting taxes, nor maintaining permanent naval forces in adjacent waters, remains a factual reality that is hard to deny or refute by providing evidence – thereby substantially weakening the purported Chinese claim over the Senkakus.³⁰ By not laying claim to sovereignty over the Senkakus, and more significantly, by not challenging the Japanese incorporation of the Islands officially till 1969, will be interpreted as a tacit acceptance by the People's Republic of China that the Islands were uncontested and that Japan, in fact, controlled the Islands that were *terra nullius* to begin with. Academics and experts in the PRC explain China's 'silence' for the above argument by stating that there was an absence of diplomatic relations between Beijing and Tokyo until 1972. The immediate fallout counter-question arising is, why would that prevent Beijing from protesting against Japan's "territorial claims to the Islands" on the international stage? For that matter, China was known to be lodging protests against Japan on many other issues and occasions before 1972. Another argument often presented from the Chinese side that took attention away from the Islands revolves around its domestic instability arising due to the Cultural Revolution (1966-69). The Cultural Revolution happened for a finite time period during the late 1960s. That period apart, there still is no recorded evidence of Chinese claims or protests over the Senkakus even prior to the Cultural Revolution.

In July 1970, the Japanese government communicated to the Taiwanese government that Taipei's bid to explore oil potential around the Islands was not valid. Over the next two months, the ROC planted a flag on one of the Islands and ROC's parliament members visiting the area. By December 1970, the PRC too, began describing the Senkaku Islands as "Diaoyu – a sacred territory."³¹ The prospect of availability of large oil deposits moved China to declare the priority of its claims. In order to meet its ever-growing demand for oil and gas, and diversify away from high dependence on supplies from the Middle East, China began prospecting about extraction of energy resources in the East China Sea in the 1970s. The PRC began claiming the Senkaku Islands vocally in various UN Committees in 1971.³² Similarly, in a statement dated April 20, 1971,

²⁷ For more details see, Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas, *Technical Bulletin*, vol. 2, Geological Structure and Characteristics of the East China Sea and the Yellow Sea, pp. 39–41, 1969.

²⁸ As cited in the Statement of the Ministry of Foreign Affairs of the People's Republic of China, September 10, 2012, available at <http://www.fmprc.gov.cn/eng/topics/diaodao/t968188.htm>

²⁹ Tsui Hsueh, "Tsung Shih Liu Chiu Lu KanTiao-yu-yu" (To View the Diaoyu Tai Through the 'Mission to the Ryukyu Records) *Sinological Studies*, vol. 2, 1972, p. 48.

³⁰ Tao Cheng, "The Sino-Japanese Dispute over the Tiao-yu-tai (Senkaku) Island and the Law of Territorial Acquisition," *Virginia Journal of International Law*, vol. 14, Winter 1974, pp. 244-246; and see, R Jade Harry, A Solution Acceptable to All? A Legal Analysis of the Senkaku-Diaoyu Island Dispute, *Cornell International Law Journal*, vol. 46, no. 653, 2013.

³¹ Jean-Marc F. Blanchard, "The U. S. Role in the Sino-Japanese Dispute over the Diaoyu (Senkaku) Islands, 1945-1971," *The China Quarterly*, no. 161, March 2000, p. 98.

³² United States, Department of the Army, 7th Psychological Operations Group, "Oil in troubled waters: the Senkakus," May 22, 1972, p. SR 8-3.

the spokesperson of the Taiwanese Foreign Minister, Yu-Sun Wei, defended Taiwanese inaction over the Senkaku Islands, and further articulated the Taiwanese position on the Senkaku Islands as follows:

China's sovereign right over Tiaoyutai does not permit any doubt historically, geographically, or legally... It should be explained that when the islets were placed under the US military control after World War II, the Chinese Government regarded this as a necessary measure based on the maintenance of regional security.³³

In the midst of all these geo-political and geostrategic developments, Japan and China embarked upon a new era of diplomatic relations with a Sino-Japanese Joint Communiqué issued at Shanghai on September 29, 1972. This epoch-making event became possible due to a number of significant international developments: the rapid thaw in Sino-American relations after President Nixon's announced intention on July 15, 1971, to visit China (often referred to as the "Nixon shock" inside Japan); the seating of the People's Republic of China and expulsion of Nationalist China from the United Nations in October 1971; and the Nixon-Chou Joint Communiqué issued at Shanghai on February 28, 1972.³⁴ The Sino-Japanese rapprochement was also made possible by the flexibility in Japan's China policy pursued post-July 7, 1972, following Japanese Prime Minister Kakuei Tanaka's historic trip to Beijing in September 1972.³⁵

The discovery of oil and hydrocarbons around the Senkaku Islands rendered Japan's national security becoming critically linked to the existing power arrangements in East Asia.³⁶ For Japan as a highly industrialized island nation, its Achilles Heel was, and continues to be, the extreme dependence on stable markets and dependable sources of raw materials and energy. This apparently made Tokyo's shipping lanes highly vulnerable to the pressures exerted by the Arabs during the 1973 Middle East War.³⁷ The distance from Japan to the Strait of Malacca is 2,500 miles, and to the Arabian Gulf is another 5,000 miles.³⁸ Japanese shipping being a worldwide pattern did not remain confined to the vital shipping lanes through which most of Japan's oil supplies from the Middle East came through.³⁹

Economics and Geo-Strategy of the Contest

To the extent that national identity, sovereignty claims or military-strategic interests overlap over these Islands, it becomes questionable whether economic ties alone will be sufficient to constrain

³³ China and the United States have reached an agreement on the demarcation of area of patrol [documents of the United States National Archives and Records Administration II [hereinafter 'USNARA'] located in College Park, Maryland. The USNARA guidelines say that generally, citations for textual records of federal agencies such as USDOS 1971e "Telegram: ROC Statement on Senkakus", 1971/4/21, [USNARA/Doc. No.: Pol 32-6 Senkaku Is; XR Pol 19 Ryu Is; Taipei 1831] cited in, Seokwoo Lee, n. 18, p. 22.

³⁴ Hong N. Kim, "Sino-Japanese Relations since the Rapprochement," *Asian Survey*, vol. 15, no. 7, July 1975, p. 559.

³⁵ Ibid.

³⁶ Jay B. Sorenson, "Japan: The Dilemmas of Security," *Asian Affairs: An American Review*, vol. 2, no. 6, July – Aug 1975, p. 365.

³⁷ Ibid., pp. 367-68.

³⁸ Ibid.

³⁹ Ibid.

China and Japan from escalating towards a potential conflict in the future.⁴⁰ According to a 1994 estimate by the Japanese Ministry of Economy, Trade and Industry (METI), deposits of oil and natural gas on the Japanese side of the East China Sea amounted to 500 million kilolitres in crude oil volume.⁴¹ The Chinese estimates of undiscovered gas reserves in the Xihu/Okinawa trough region in the East China Sea ranged 175–250 trillion cubic feet.⁴² Other estimates placed potential oil reserves on the shelf to be as high as 100 billion barrels (as compared to Saudi Arabia's 261.7 billion barrels).⁴³ Although foreign companies continued to remain hesitant in investing, the US Energy Information Administration estimated the region, in and around Senkakus, to hold 60 to 100 million barrels of oil and 1 to 2 trillion cubic feet of natural gas – considered enough to provide energy sources to either state for 50–80 years.⁴⁴ Beginning of this decade, China National Offshore Oil Corporation (CNOOC) listed its East China Sea proven gas reserves at 300 billion cubic feet (Bcf) and proven oil reserves at 18 million barrels in 2011, according to the annual report. In 2012, an independent evaluation estimated probable reserves of 119 Bcf of natural gas in LS 36-1, a promising gas field north of Taiwan, currently being developed as a joint venture between CNOOC and UK firm, Primeline Petroleum Corp.⁴⁵

The US Energy Administration has forecasted that China's oil and natural gas consumption will continue to grow, thereby putting additional pressure on the Chinese government to seek new sources of supplies to meet the ever-increasing domestic demand. China surpassed the United States as the world's largest crude oil importer in 2017, importing 8.4 million barrels per day (b/d). In 2017, 56 percent of China's crude oil imports came from countries within the Organization of the Petroleum Exporting Countries (OPEC), a decline from the peak of 67 percent in 2012. Russia surpassed Saudi Arabia as China's largest source of foreign crude oil in 2016, exporting 1.2 million b/d to China in 2017 compared to Saudi Arabia's 1.0 million b/d.⁴⁶ In January 2018, China and Russia began expansion of the East-Siberia Pacific Ocean (ESPO) pipeline, doubling its delivery capacity to approximately 0.6 million b/d. As per reports, as much as 1.4 million b/d of new refinery capacity is planned to open in China by the end of 2019.⁴⁷ Given China's expected decline in domestic crude oil production, imports will likely increase during the next two years. A major factor driving the increase in Chinese crude oil imports is Beijing's large-

⁴⁰ Blanchard, n. 31, pp. 122-23; The view that economic interdependence will constrain East Asian countries is noted in Gerald Segal, "East Asia and the 'constraint' of China," *International Security*, vol. 20, no. 4, Spring 1996, p. 107; for related reading and reference see, Norrin M. Ripsman and Jean-Marc F. Blanchard, "Commercial liberalism under fire: evidence from 1914 and 1936," *Security Studies*, vol. 6, no. 2, Winter 1996/97, pp. 4-50.

⁴¹ As per a report, cited in, *Yomiuri Shimbun*, August 28, 2004.

⁴² In comparative reference, Saudi Arabia has proven gas reserves worth 21.8 trillion cubic feet.

⁴³ United Nations, *Report of the Sixth Session of the Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas*, UN Doc. E/CN.11/L.239, 1970, pp. 51-67; see also, C.H. Park, "Oil under Troubled Waters: The Northeast Asia Seabed Controversy," *Harvard International Law Journal*, no. 212, 1973, pp. 248-49; also see, U Suganuma, "Sovereign Rights and Territorial Space in Sino-Japanese Relations: Irredentism and the Diaoyu/Senkaku Islands, (Honolulu: Association for Asian Studies and University of Hawai'i Press, 2000) pp. 129-31.

⁴⁴ For details see, J. Curtin, "Stakes Rise in Japan, China Gas Dispute," *Asia Times*, October 19, 2005; also see, Lee Jae-Hyung, "China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean," *Contemporary Southeast Asia*, vol. 24, no. 3, 2002, pp. 549-568.

⁴⁵ Chansoria, n. 6, p. 105; and see, *East China Sea*, US Energy Information Administration, September 25, 2012, p. 2.

⁴⁶ *Energy Update*, Independent Statistics and Analysis, US Energy Information Administration, February 5, 2018.

⁴⁷ *Ibid.*

scale decline in domestic petroleum and other liquids production among non-OPEC countries in 2016 and US Energy Information Administration (EIA) estimates it of it having the second-largest decline in 2017.⁴⁸ In contrast to declining domestic production, EIA estimates that Chinese growth in consumption of petroleum and other liquid fuels in 2017 remained the world's largest for the ninth consecutive year, growing from 0.4 million b/d (3 percent) to 13.2 million b/d. Since mid-2015, China granted crude oil import licenses to independent refineries in northeast China, which have since increased refinery utilization and crude oil imports.⁴⁹

As for Japan, it was the third largest net importer of crude oil and petroleum products in the world after United States and China in 2012. Following the Fukushima incident, Japan increased the imports of crude oil for direct burn in power plants, remaining primarily dependent on the Middle East for its crude oil imports, with 83 percent of Japanese crude oil imports originating from the Middle East in 2012, up from 70 percent in the mid-1980s. Because of its limited natural gas resources, Tokyo remains heavily reliant on imports to meet nearly all of its natural gas needs. In 2012, it consumed 4.4 trillion cubic feet (Tcf) of natural gas, up 50 percent from 2000.⁵⁰ More than 95 percent of Japan's gas demands are being met by liquefied natural gas (LNG) imports. Japan, the world's largest LNG importer in 2012, accounted for 37 percent of global LNG demand. These statistics are proof enough that both Tokyo and Beijing hold immense stakes in extracting hydrocarbon resources from the East China Sea to help meet their respective domestic demands – adding greater criticality to the tensions around the Senkaku Islands.⁵¹

According to a *World Energy Outlook* survey, released by the International Energy Agency, China's oil imports will likely reach close to 500 million tons by 2030 – the highest in absolute terms for any country or region.⁵² In this context, Southeast China's coastal areas, particularly the Shanghai municipality and Zhejiang province, remain its most critical industrial (and thus energy-consuming) bases having almost no hydrocarbon resources in their own territory. Consequently, the domestic oil/gas supply for these regions relies on imports from the far northern and western provinces, thus proving to be very costly and insufficient. By contrast, the transportation of oil and gas from the East China Sea's continent shelf would be much easier and cheaper (given that it is located within 500 kilometers approximately).⁵³ These economic and logistical drivers render the oil and gas reserves in the East China Sea far more beneficial for China. It needs to be highlighted that gas being the most important hydrocarbon resource in the East China Sea is being produced by China from a field in a part of the East China Sea pending delimitation that Beijing claims to be within its EEZ. However, Japan protested against this unilateral move in 2009 and did so again in July 2013.

Since the 1969 report established possibility of substantial oil and gas resources in the East China Sea in and around the Senkakus, China was goaded to press for its territorial claims including the whole continental shelf up to the Okinawa Trough for the delimitation of the EEZ. China's official insistence is that its continental shelf demand is in accordance with UNCLOS, because of the length of its coastal line and its population there, in contrast to the narrow and sparsely populated Okinawa Island chain. The determination and relevance of the 'critical date'

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ *Energy Update*, Independent Statistics and Analysis, US Energy Information Administration, November 7, 2013.

⁵¹ *East China Sea*, n. 45.

⁵² Chansoria, n. 6, pp. 96-97.

⁵³ Guo Rongxing, "Territorial Disputes and Seabed Petroleum Exploitation: Some Options for the East China Sea," Center for Northeast Asian Policy Studies, Brookings Institution September 2010, Washington D.C.

becomes a key point for understanding the complexity of China's claims over the Senkaku Islands, and more so China's failure to stake claim to the Islands until 1970-71. China, as well as Taiwan, have chosen to mainly rely on historical timelines, which remain self-contradictory going by the evidence on archived records. On the other hand, Japanese position is premised on acts of exercising state authority, directly relating to the Senkaku Islands. There is a critical legal implication of the Chinese/Taiwanese inaction on their claims over the Senkaku Islands during the material period from 1895 until 1969 when the existence of vast oil deposits were unearthed and announced. Should the Chinese/Taiwanese inaction during the said period be construed as acquiescence over the Senkaku Islands as being part of the Ryukyu Islands?

Conclusion

The Islands being "*terra nullius*" depends upon the doctrines of occupation and inter-temporality. The former holds that a state can appropriate unclaimed territory by occupying and possessing it. The latter holds that one must judge the legality of events in light of the law concurrent with their occurrence, rather than with the law in force at the time the dispute is ultimately resolved. In other words, lawful incorporation by Japan requires that China had not already engaged in acts sufficient to appropriate the Islands under the law of occupation that existed up to 1895.⁵⁴ An apparent paucity of Chinese effectivities' in the 19th Century supports this view. The Senkaku Islands have been Japanese sovereign territory since 1895 and thereafter, archival research not displaying any record of China protesting/contesting Japan's exercise of authority and occupational control over the Islands from 1895-1945 and thereafter. In the backdrop that "administration" rather than "sovereignty" shall be a key distinction that applies to the islets, while China argues its establishment through the classical mode of discovery of the Islands, it is Japan that comes closer in fulfilling all requisite legal requirements to acquire title over the Islands under international rules and law.

An arm of the Pacific Ocean borders on the East Asian mainland. The East China Sea extends to the Chain of the Ryukyu Islands in the east; northeast to Kyushu (the southernmost of Japan's main islands) and north to Cheju Island, off the Korean peninsula, falling west of China's eastern coast. On the south, the Sea extends to the South China Sea through a shallow strait between Taiwan and Mainland China. Thus, whoever controls the Senkakus could well claim economic and political control over a huge area of the East China Sea.⁵⁵ Unsurprisingly, China's endless status quo revisionism in almost all its existing territorial disputes – from the East China Sea to the South China Sea and Himalayan borderlands – suggests that 21st century Asian political geography shall continue to be shaped, and reshaped, by Beijing's cartographic subjectivity. Unilateral actions being undertaken by Beijing are upping the ante in the name of "sovereignty" and remains driven among others, by Chinese domestic politics, including pressures on the central government to craft a strong Chinese national identity. What needs to be carefully noted is that stirring nationalist sentiment shall always remain a double-edged sword for the Chinese leadership – since there is a very thin line that separates it from assuming the shape of becoming a threat to the existence of the Party and the Communist State.

The strategic and economic consequences of the 1969 UN discovery provided fresh impetus to the interests- and claims over the Senkaku Islands. Referring to the Senkaku Islands, mass

⁵⁴ For more details see, Ryan M Scoville, "A Defense of Japanese Sovereignty over the Senkaku/Diaoyu Islands," *Legal Studies Research Paper Series*, no. 13-16, Marquette University Law School, Wisconsin, June 2013.

⁵⁵ United Nations, *United Nations Convention on the Law of Sea 1982*, available at http://www.un.org/Depts/los/convention_agreements/texts/unclos/closindx.htm; also see, Erica S Downs and Phillip C Saunders, "Legitimacy and the Limits of Nationalism: China and the Diaoyu Islands," *International Security*, vol. 23, no. 3, Winter 1998/99, pp. 114-146.

circulation American periodical, *Time*, put out a cover story in 1996 asking, “Will the next Asian war be fought over a few tiny islands” lying west of Okinawa?⁵⁶ This, in a way, summarizes the vital contemporary geopolitical and geo-strategic relevance to the Senkaku Islands, which remains embedded in history. Contemporary debates on the history of Asia’s regional security issues strongly echo that Asia’s history and onerous colonial past has made an indelible mark on demographics, border disputes, political systems, laws, economies, cultural influx, and identities. In all, the defining trends of Asia’s historical past during the 20th century and its preceding period will likely continue casting a shadow on its ensuing future stability.

⁵⁶ “In an Ocean of Controversy,” *Time*, October 7, 1996.