

3 The Diaoyu/Tiaoyutai/Senkaku Islands dispute

were driven away by the Japanese coastguard. The noisiest Chinese uproar was over an attempt in 1996 by the *Seimensha* to build and repair a lighthouse on another one of the rocks, in which the first fatality occurred that was directly related to the dispute.

This chapter attempts to explore and evaluate the purpose and activities of nationalist forces in China, Taiwan and Japan in involving themselves in this particular dispute, and how their actions provoked similar activities by nationalist groups in the other countries to uphold their territorial sovereignty. This is where the framework of two-level games should prove illuminating in analyzing state-society interaction within the matrix of state-to-state bargaining or negotiation.

Were the rhetoric and activities of the Chinese irredentists, Taiwanese nationalists, and Japanese imperialist forces aimed at pressuring their respective governments into adopting domestic and foreign positions more amenable to their own objectives? Knowing that their mere appearance on the islands would certainly draw unfavorable responses and challenges from the governments and nationalist forces of the other disputant countries, were their strategies of provocation attempts to target their opponents for "negative reverberations" in order to force their own governments to uphold publicly their own demonstrations of national sovereignty? In the face of actions taken by domestic social forces to push for confrontation, the Janus-like position taken by all three governments to stake their claim, but at the same time seek out other governments to establish "synergistic linkages" to negotiate economic and non-sovereignty issues, deserves great attention.

Of the unresolved claim to the Diaoyu/Tiaoyutai/Senkaku rocks, many questions can be asked. Why is it not possible for a claimant country to forego or divide the claim? If the answer is to be found in the politics of state-nationalism, with cultural biases, memories of past wars and perceived present injustices as its basis, then why did none of the disputant governments take unilateral military action to settle the dispute in their favor? Perhaps they regarded the risk of confrontation as so jeopardizing to overall military security, economic ties and regional stability that it was not worth the returns to their country to secure their claims to tiny bits of uninhabited rock? Where the priorities of both state governments and societal pressure groups are so far apart on whether to maintain normal neighborhoodly relations or to assert unilateral sovereignty, can government negotiators hope to compromise, even if there are overlapping win-sets or common grounds on areas of joint economic development, for fear of creating adverse political opinion at home? How far can "unofficial" or "semi-official" talks continue before surfacing into "official" negotiations, which may then incur the ire of a nationalistic public? Could it be that the mutual distrust and lingering hostility among the people of the disputant states are so deep that the "homogeneous" position taken by pressure groups or social forces on the issue at hand makes it impossible for negotiators on one side to appeal to or take advantage of a possible breach or division of public opinion on the other side to begin dialog? Were the nationalist groups which spearheaded the claims, especially the Japanese ones, working in tandem with their own governments by

Introduction

The recurring dispute over the Diaoyu/Tiaoyutai/Senkaku rocks conducted between Japan, (the People's Republic of) China and Taiwan/Republic of China raises important issues of territorial sovereignty claims, access to maritime (fisheries and petroleum) resources, and the strategic sensitivities of these countries. The relevance of the dispute lies in its implications for the wider context of the countries' approaches to other outstanding maritime and island disputes, and the way in which the issue has been, and will be, exploited by domestic political groups to further their own objectives, in spite of attempts by the governments to play down the incidents in the interest of overall foreign relations, economic ties and regional stability.

The timing, method and intensity of the claim, when it was periodically reasserted, were dictated not only by the positions of the three countries on the sovereignty question, but more importantly, by domestic factors not fully within the control of the governments. These factors include the rise of nationalism or irredentism on China, the competition for legitimacy on Taiwan between separatist and pro-unification forces involving the powerful fishing lobby, and the influence of right-wing nationalist groups in Japanese politics. While the original dispute in 1970-1972 arose as a result of contending claims to oil deposits found under the sea-bed adjacent to the Senkaku rocks, it was magnified by Taiwanese student demonstrators in North America and Taiwan. These "Protect Tiaoyutai" activities started the trend of popular protests by Taiwanese, Hong Kongers and overseas Chinese over the controversy. The 1978 incident was caused by members of a Japanese right-wing nationalist group, the *Seinenkai*, erecting a lighthouse on the biggest of the rocks. They did this to promote efforts by rightist Liberal Democratic Party (LDP) negotiators to the China-Japan Peace Treaty in Beijing to pressure the Chinese government to concede sovereignty over the Senkakus in exchange for the inclusion of an "anti-hegemony" clause in the treaty against the Soviet Union. The 1990 incident was the result of another right-wing group - the *Nihon Seimensha* (Japanese Youth Federation) - planting border markers on one of the disputed rocks, which invited the attention of Taiwanese athletes and journalists, who then attempted to land on the rocks but

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Janus: 2 faces
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offering them the opportunity to follow up on the claims if the private forays were not successfully opposed, and the plausibility of denial of foreknowledge and involvement if they were? Is the latest Senkaku incident the harbinger of worsening relations between the three East Asian countries? Should the region become more unstable and neighboring countries more distrustful of one another, would armed confrontation be more likely, now that it is more difficult to justify putting a lid on the provocative actions taken by domestic nationalist groups in the name of preserving good inter-state relations?

By exploring how the three governments negotiate with one another while having to interact with their domestic pressure groups, within the context of this sovereignty/maritime boundary dispute, I hope to analyze and evaluate if and how the different preferences, priorities, risk assessments, potentials for tradeoff, and institutional constraints of state and society affect both bargaining behavior among states and relations between a government and its societal components. I hope to use this study to provide some tentative answers to the questions I have raised, to bring out similar issues which the other claimant states and societies will face but which I cannot explore in depth here, and to examine and evaluate the strength and limitation of the two-level games type of analysis while doing so.

Sovereignty and resource claims over the Diaoyu/Tiaoyutai/Senkaku Islands

Any attempt to determine who has the right to construct lighthouses or ascend rocks must take into account the understanding and interpretation of the concept of legal title or sovereignty. The three internationally accepted types of argument advanced by countries to establish claim or title over a disputed piece of territory are historical references (discovery), continuous occupation, and effective authority (government).¹ The Chinese claim, adhered to by both Beijing and Taipei, and indeed by the Chinese people of Hong Kong and all over the world, is largely based on historical discoveries documented in the journals of Ming- and Qing-dynasty sea-captains and envoys to the Ryukyu kingdom, and the customary use of the rocks as shelters by Taiwanese fishermen facing inclement weather.² Japan does not recognize such historical citations as valid claims, preferring to argue that the Senkaku rocks were "terra nullius" until their subsequent discovery by a Japanese national, which resulted in a claim to exercise effective jurisdiction over the rocks at some time between the incorporation of the Ryukyu (Okinawa) kingdom into Japan in 1879 and the defeat of China by Japan in the Sino-Japanese War of 1894-1895.³ From then on, Japanese control over the rocks has been unbroken except for the period when the Senkaku rocks, together with the Okinawa Islands, were under American occupation from 1945 to 1972.⁴ The Japanese believe their claim to be in accordance with the 1982 Third United Nations Convention on the Law of the Sea (UNCLOS III) declaration on the 200-mile Exclusive Economic Zone (EEZ), adopted by the Japanese Diet on 20 July 1996, which would include the rocks if

measured from the nearest baseline of the Sakishima island group of the Okinawa chain.

Up till today, the authorities on both mainland China and Taiwan argue that the Diaoyu/Tiaoyutai rocks were actually part of Taiwan province, and were ceded to Japan along with Taiwan under the terms of the Shimonoseki Treaty which concluded the Sino-Japanese War of 1894-1895. Neither Chinese authority recognizes the Japanese control over the rocks, which the latter claimed were handed over to them with the reversion of Okinawa. Both argue that the American occupation of the rocks between 1945 and 1972 was in contravention of the Cairo Declaration of 1943 and the San Francisco Treaty of 1951, which was supposed to have divested Japan of all its overseas possessions and effected the return of Diaoyu/Tiaoyutai to Chinese rule after the Second World War. Underlying the whole sovereignty argument is, of course, the bitterness which the Chinese feel toward the Japanese as a result of past invasions and what they consider to be continued occupation of the Chinese islands of Diaoyu/Tiaoyutai, in contrast to the insistence by many Japanese, especially right-wing nationalists, that the Senkaku rocks were never alienated from Japan from the day they were discovered and claimed by a Japanese for Japan.⁵

As these rocks were never recorded as having supported or being capable of supporting, "permanent human habitation," although they had at times served as a storm shelter for fishermen and a haunt for herb gatherers, the continuous occupation argument was rarely forwarded by any one of the contending parties. Since 1970, when a "sovereignty" claim was first raised by Taiwan following the discovery of petroleum deposits in the sea-bed around the rocks by a United Nations survey ship, the already convoluted arguments in support of the claims have taken on the "law of the sea" language of continental shelves and exclusive economic zones.

In 1958, the Continental Shelf Convention (CSC) was completed under the auspices of the United Nations Convention of the Law of the Sea (UNCLOS).⁶ Though not a signatory to the convention, the Beijing government of mainland China immediately announced its claim to exercise exclusive jurisdiction over the economic resources in and under the entire East China Sea. It asserted its claim on the basis of its sea-bed being a continental shelf or "natural prolongation of the Chinese continent" in accordance with the CSC. This East China Sea Continental Shelf thus extends from the Chinese coast as measured at low tide all the way for some 350-400 miles to the Okinawa Trough just east of the Diaoyu/Tiaoyutai rocks, where it plunges into the Pacific Ocean (see Figure 3.1). When the Taipei authorities on Taiwan first made the claim to sovereignty over the rocks as the legitimate government of all China, it also relied on the authority of the CSC to make its claim for exclusive economic rights over the East China Sea and seabed. The sovereignty question soon overshadowed economic arguments once again when the United States as the administrative power of both the Okinawa islands and the disputed rocks handed them to Japanese administration in 1972, but avoided the issue of where the sovereignty of these rocks lay.

To the Chinese, the claim of Japan to what it calls the Senkaku rocks is not in the least incidental – a successful Senkaku claim would *strengthen*, though not *establish*, Japan's claim of a 200-mile Exclusive Economic Zone (EEZ) halfway across the East China Sea from baselines on the shores of the Okinawa Islands as permitted under the UNCLOS III, which finalized the EEZ concept in 1982. The rocks themselves would most likely not qualify for an EEZ because they never showed signs of supporting "permanent human habitation."⁷ To strengthen its claim over the rocks, which are just short of 100 miles north-northeast of the northern tip of the island of Taiwan, Taipei had already claimed a 200-mile EEZ over Taiwan and mainland Chinese coasts as early as 1979. China did the same with its 1992 Maritime Law, which created an uproar with the Japanese, and led Japan to respond by claiming its own 200-mile EEZ around the Japanese Isles in early 1996, implemented on 20 July 1996, which specifically included the Senkaku rocks. Could it be coincidental that the right-wing nationalist *Nihon Seimeisha* (Japanese Youth Federation) erected a lighthouse on one of the smaller rocks just six days prior to the Diet passing the enabling legislation? The Chinese did not think so. However, sovereignty dispute notwithstanding, a series of occasional talks was held between officials and scientists from China and Japan from 1978 to 1982, to explore the possibility of jointly developing the hydrocarbon resources under the East China Sea shelf. The building of a lighthouse on the biggest of the eight Diaoyu/Tiaoyutai/Senkaku rocks by the Japanese, and the fear of jeopardizing future sovereignty claims through the "unfortunate" siting of oil-rigs, halted all future talks. Still, the call for joint development came forth time and again from Japan, China, and even Taiwan, which has expressed the most willingness to conduct semi-official talks with Japan on fisheries after every incident. Note that while both Beijing and Taipei seemed to have established their claims over the rocks by invoking the authority of both CSC and EEZ concurrently, Tokyo must rely on the EEZ, because the CSC argument would deprive Japan of the entire East China Sea shelf, including the Senkaku rocks, which lie just west of the Okinawa Trough which marks the end of the shelf. Irrespective of whether the CSC or EEZ argument wins out, whichever country that stakes an actual claim on the rocks will have to regulate fishing and passage within the twelve-mile territorial sea around the rocks. This action will be construed as extremely provocative to the other disputants concerned, making the occupation authority a good target for opposing nationalist forces to provoke retaliation and involve their own governments in confrontation to achieve their aims.

The first incident: petroleum discoveries and the Okinawa reversion (1970–1972)

The Tiaoyutai/Senkaku controversy first reared its ugly head above the waters of the East China Sea in late 1968, when a geographical survey conducted by the Committee for Coordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas (CCOP) under the auspices of

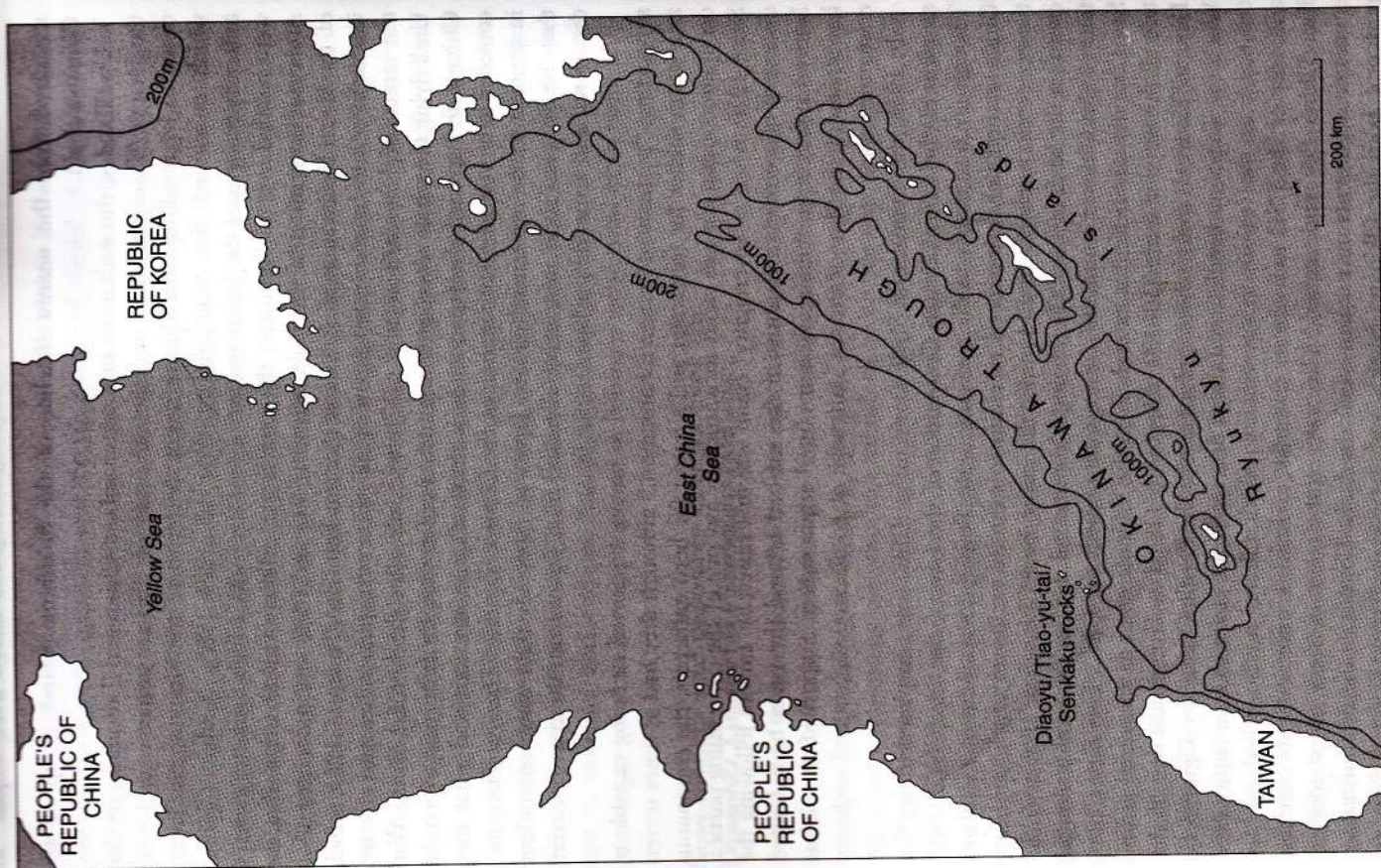


Figure 3.1 The East China Sea

the United Nations Economic Commission for Asia and the Far East (ECAFE) in the East China Sea reported that "a high probability exists that the continental shelf between Taiwan and Japan may be one of the most prolific oil reservoirs in the world, with potential estimated at between 10 to 100 billion barrels."⁸ Considering that Japan, Taiwan and Korea were all major importers of oil at that time, with Japan importing 95.5 percent of its domestic demand and Taiwan importing 98 percent of its annual consumption, it is not surprising that the immediate reaction of the countries to the report was to claim sovereignty over as much of the continental shelf as was minimally defensible.⁹ In May 1969, a Hong Kong news magazine reported that someone from Okinawa's Yaeyama Islands had placed a boundary marker on the largest of the Tiaoyutai islands, claiming the islands for Okinawa.¹⁰ On 19 July 1969, Taiwan announced she would exercise all sovereign rights over the natural resources in the sea-bed and subsoil adjacent to her territorial sea.¹¹ Taiwan and Gulf Oil subsequently entered into a concession contract in July 1970 to develop oil from a specific area which included the Tiaoyutai Islands. Shortly after, Japan contested this action by Taiwan on grounds that the islands belonged to the Ryukyus, and therefore, after their reversion from United States to Japanese control, the islands should belong to Japan.¹² On 12 September 1970, Japan reasserted its title to what it referred to as the Senkaku islands, but perhaps to diffuse opposition to its sovereignty claim or give the impression that it was not about to monopolize the surrounding sea-bed resources, the Japanese government indicated that it was willing to negotiate the "question" of the adjacent continental shelf with the Nationalist Government of China (Taiwan).¹³ This invitation was later extended to the government of (South) Korea, but not mainland China, which at that time was still regarded by the other three governments as a Communist pariah and an illegitimate rebel Chinese regime.

Officials from Japan, Taiwan and South Korea met in Tokyo on 21 December and formed the "China (Taiwan), Japan, (South) Korea Oceanic Development and Research United Committee." At this meeting, which was chaired by former Japanese Premier Kishi Nobusuke, the Japanese suggested discussing "development cooperation" for the East China Sea area first and freezing the "sovereignty issue" for resolution at a later date. The meeting decided to provisionally establish a "United Oceanic Development Company" and reconvene itself in Tokyo at the end of May 1971 to finalize the running of the company and the investment shares of the participating parties; however, due to subsequent fierce public denunciation by the People's Republic of China, this was put off indefinitely.¹⁴

On 23 December 1970, the *Taipei Central Daily News* reported that

The three countries of China (Taiwan), Japan, and (South) Korea have already agreed to jointly develop the continental shelf, (to which end) each country will establish a committee to research, explore and plan; the bound-

aries of continental shelf discussed by the three countries include the vast area from the East China Sea to the Japan Sea, including Tiaoyutai.¹⁵

The plan apparently called for dividing the spoils of oil development through arrangements assuring the harmonization of the private corporations involved. Thus Japan's Teikoku and Gulf Oil of the United States would then have had a Japanese concession overlapping the previous existing Gulf Oil concession from Taiwan, which would then have been renegotiated to restructure Gulf's obligations to Taipei.¹⁶

If Tokyo, Taipei and Seoul had counted on having a free hand in the development of the continental shelf without Beijing's cooperation or interference, they were sorely mistaken. On 20 December an editorial entitled "Resolutely Do Not Tolerate Attempts by American and Japanese Revisionists To Rob Our Country's Submarine Resources" suddenly made its appearance in Beijing's authoritative *People's Daily*. The editorial stressed that

American and Japanese revisionists are now playing up this so-called "development cooperation" through the Japan-Chiang(Kai-shek)-Park (Chung Hec) "United Oceanic Development Company" to grab our country's submarine resources. ... Taiwan Province and the islets appertaining to it, which includes the Diaoyu (islands), constitute China's sacred territory. The oceans surrounding these islands and the Chinese coast and the submarine resources containing therein all belongs to China, which would resolutely not allow others to lay their dirty fingers on them. Only the People's Republic of China has the right to explore and develop the submarine resources of this region.

It also pointed out that the director of Japan's Self Defense Agency, Yasuhiro Nakasone, was sufficiently militaristic to include these islands within the defense perimeter of Japan's "Fourth Military Expansion Plan."¹⁷ Incidentally, as prime minister of Japan, the same Nakasone proposed in 1983 a 1,000-mile radius sphere of interest around the Japanese Isles, which would include the area of the disputed claim, and even Taiwan, and once again drew accusations from its Asiatic neighbors and China of an attempt to revive Japan's militarism and imperialism.

So far, whatever negotiations that had been going on were confined to the semi-official "Level I" negotiators, but "Level II" social forces within Taiwan, Hong Kong, Japan, and especially the Chinese communities in North America, were already starting to organize, opposed to what they perceived as unseemly willingness on the part of their own governments to compromise, perhaps even sacrifice, their country's sovereignty for the benefits of economic development. Beginning 6 September 1970, reports surfaced in Hong Kong about Japanese Maritime Safety Agency patrol crafts obstructing Taiwanese fishing boats from coming too close to the vicinity of the disputed Tiaoyutai Islands.¹⁸ Already earlier on 2 September 1970, a journalist from Taiwan had hoisted the national

flag of the Republic of China on the largest island, but the flag was subsequently removed by the Okinawa police. This incident seemed to have served as the catalyst for a series of demonstrations and protest marches, with participants numbering in the hundreds against "resurgent Japanese militarism" and the need to defend Chinese sovereignty on Tiaoyutai. The first protest marches and demonstrations were held in January 1971 and organized by Taiwanese and Hong Kong students in the major American cities of San Francisco, Los Angeles, Seattle, Chicago, New York and Washington DC.¹⁹ The largest protest in New York attracted some 1,500 marchers. In February, fifty-three separate "Committees for the Movement to Protect Chinese Sovereignty on Tiaoyutai" sent an open letter to the president in Taipei, signed by 1,300 people, requesting him to protest the Japanese action of tearing down the flag, send in the military, and cease participation in the three-nation cooperative development talks.²⁰ The president had to send a personal emissary to investigate and explain the government's case in engaging in joint development talks.

Demonstrations on the issue erupted again all over North America in April, in response to the announcement by the United States that it intended to return the administrative mandate of the rocks to Japan in May the following year, together with its sovereignty over Okinawa. A march on Washington's Constitution Avenue attracted a reported 3,000 people,²¹ with speakers calling on both Chinese governments to stand firm against "Japanese aggression on Chinese territory."²² Not even stern warnings from Taiwan officials against "possible Chinese Communist infiltrators" could dampen the enthusiasm of the thousands of Taiwanese students and intellectuals in North America who wrote articles in university newspapers, printed pamphlets, and marched to "protect Tiaoyutai."²³ The North American Taiwanese and Hong Kong demonstrators explicitly portrayed the Tiaoyutai protests as a continuation of the spirit of the May Fourth 1919 student movement that protested the awarding of China's Shandong province to Japan as a concession by delegates to the Versailles Conference.²⁴ Smaller-scale but equally noisy protests also occurred in Hong Kong and Taiwan. A protest assembly in Hong Kong's Victoria Park on 13 August 1971 attracted over 2,000 people from all walks of life,²⁵ but the Taiwanese protests were mostly confined to students on campuses because of government regulations on demonstrations.²⁶ Confronting an active Communist menace on the Chinese mainland, Taiwan's authorities had good reason to fear that, if its people were to adopt too assertive a territorial stance, they would alienate its very important American and Japanese military, economic and ideological allies. Whatever form it took, the power of civic protest had been formidably registered. From now on, popular action and public opinion which may be instigated by groups and organizations which have their own objectives to exploit the Tiaoyutai/Senkaku issue will have to be reckoned with by the governments who have a stake in the resolution of the dispute.

On 12 March 1971, according to the Japanese daily *Yomiuri Shimbun*, the Japanese government had decided not to discuss any further the plan to develop jointly the oceanic resources of the Tiaoyutai vicinity with (South) Korea and

Taiwan. On 18 March 1971, in a letter of reply to inquiries regarding the Tiaoyutai affair forwarded by Taiwanese students in the United States, the secretary to the Taipei president made reference to Taipei's stance that the "China (Taiwan), Japan, (South) Korea Oceanic Development and Research United Committee" was a non-official organization, "where matters discussed have nothing to do with the sovereignty of the Tiaoyutai islands."²⁷ In other words, official pronouncements from Taipei wanted to stress its right to explore and develop the continental shelf surrounding the Tiaoyutai Islands, but were conspicuously silent or evasive on the issue of the sovereignty of the islands itself. Thus, while China all but ignored the rocks, being preoccupied with an overwhelming Soviet military threat just across their common border, Taiwan was faced with the prospect of US-People's Republic of China normalization of relations and the loss of its seat in the UN, and did its utmost to play down the controversy, which allowed the Japanese claim to the rocks to go unchallenged on the ground. However, the sound and fury of the "Movement to Protect Tiaoyutai" in North America, Hong Kong and Taiwan, China's vehement opposition and Japan's withdrawal from the scheme spelled the virtual end of any viability for the idea of joint development of sea-bed resources by Japan, Taiwan and Korea, at least if it did not involve China. Korea subsequently dropped out of all future talks, but Japan and China are still periodically involved in discussions on sea-bed hydrocarbon development, and Japan still holds regular talks with China and Taiwan on fishing rights. However, because of the unresolved sovereignty issue involving the Tiaoyutai/Senkaku Islands, such talks are no longer publicly announced before they take place, and no communiques are ever issued afterwards, for fear of galvanizing the nationalist forces of the countries involved.

Nationalist sentiment in Japan over the disputed islands seemed to take a little more time to find its voice, but it did not remain silent for long. Having witnessed the abrupt cancellation of sea-bed petroleum mining projects which might have allowed a Japan almost completely dependent on imported oil to be self-sufficient in the mineral, and believing the Chinese side to be unfairly contesting what was formerly Japan's territory now legitimately returned to her, editorials in major newspapers backed the Japanese government's position on Senkaku to the hilt. Between March and May 1972, demonstrations by gangs of youths in sound-trucks took place in Tokyo before the Sino-Japanese Memorandum Office and its Japanese counterpart, the Japan-China Memorandum Trade Agency; all political parties were brought into line to support the government's position with official statements; and television programs on the government-owned Japanese Broadcasting Corporation (NHK) featured panel discussions with right-wing writers and activists calling on the government to defend the independence, security and national prestige of Japan, by force if necessary.²⁸ Such agitated behavior died down after the Americans handed over administrative control of the Senkaku islands to the Japanese together with Okinawa on 15 May 1972, but the nationalist right wing of Japanese politics had apparently found a worthy cause to rally around.

The second incident: the Sino-Japanese Peace and Friendship Treaty of 1978

If it was not entirely clear in the first incident how significant was the interaction between Japanese right-wing groups and their state government, subsequent incidents would demonstrate that it was significant to the extent that they supported and reinforced each other's agenda, at least when it came to the question of territorial sovereignty. Since Japan and the PRC established official relations with each other in September 1972, both countries had tried to start negotiations on the signing of a formal bilateral treaty. Unofficial talks over such a Sino-Japanese Peace and Friendship Treaty (PFT), first mooted in 1974, were halted when Japan could not agree to China's insistence on the inclusion of an "anti-hegemony" clause tacitly aimed at the Soviet Union. Official talks on the treaty had no sooner resumed in February 1978 before the issue of disputed sovereignty over the Senkaku islands arose. Apparently, some pro-Taiwan and anti-treaty LDP "back-benchers" in the Diet did not want negotiations over the treaty to proceed before the issue of sovereignty over the islands was settled to the satisfaction of Japan. They seemed to believe that the PRC so badly needed Japan's support for the "anti-hegemony" clause against the Soviets, since the Soviet Union was then negotiating a similar treaty with China's enemy Vietnam, that China would be prepared to compromise over the sovereignty of the disputed islands. Japanese agriculture and forestry minister Nakagawa Ichiro, a leader of the right-wing Seirankai (Blue Storm Group) within the LDP was quoted as saying that only by settling the sovereignty issue regarding Senkaku could the PFT proceed.²⁹ On 7 April, 100 Dietmen opposed to the treaty met with the Japanese foreign minister and requested that he bring up the matter on meeting with leaders of the PRC.³⁰ An *Asahi Shimbun* opinion poll of 339 Dietmen on the proposed treaty showed that only forty-nine favored the inclusion of the "anti-hegemony" clause in the treaty.³¹ The anti-treaty forces figured that they could either scuttle the talks by adopting an intransigent posture over Senkaku, or at least exact the islands as a price from the Chinese for agreeing to the "anti-hegemony" clause. Both ways would produce their gains.

Until then, both Chinese and Japanese negotiating parties had managed to keep this contentious issue out of the treaty negotiations, but now that it had been forced out into the open, Chinese leader and foremost PFT proponent Deng Xiaoping could not afford to be attacked by his political rivals for being "soft" on Japanese encroachment on Chinese territorial sovereignty. Still, it was a surprise to most people when, on 12 April 1978, more than a hundred fishing trawlers bedecked with PRC national flags reached the waters around the Diaoyu Islands, and more than thirty of them entered into its 12-mile territorial sea. According to Japanese official sources, the fishing trawlers were equipped with machine-guns, and draped with white characters on black cloth proclaiming the Diaoyudao to be Chinese territory.³² Speaking to members of the Foreign Affairs Committee of the lower house of the Diet, the Japanese foreign minister Sunao Sonoda said that the intrusion by Chinese fishing

trawlers into Senkaku waters was not accidental, but premeditated and planned.³³ However, not wishing to exacerbate the already tense situation any further, Sonoda appealed for calm, and the same committee was told by Takashi Ueno, counselor of the Japanese Self Defense Agency, that his agency was not considering calling out military forces to deal with the fishing operation.³⁴ In his address to a group of visiting Japanese parliamentarians, Politburo member and Vice-premier Geng Biao said he believed that the entry by PRC fishing trawlers into the sea around the Diaoyu Islands was indeed accidental and unplanned by any official agency, but he would order an investigation into the affair.

Apparently, China did not want to get involved in a diplomatic row with Japan over the islands because China had wanted a quick end to the treaty negotiations.³⁵ Even so, the fact that so many fishing craft could have "accidentally" set sail unobstructed from the major Chinese ports of Foochow, Shanghai and Hongtao was telling.³⁶ As Tokyo's JJI news agency noted, in addition to fishermen, Chinese servicemen could be identified aboard the vessels, and were even leading the flotilla's operations,³⁷ thus confirming that the incident was "accidental" only in name. It was in truth a visible and forceful demonstration by China that it would not let the Japanese claim over the disputed islands go unchallenged, or allow their territorial integrity to be compromised by the need for a peace treaty. Unsurprisingly, the Chinese side brushed aside all Japanese entreaties for talks on the disputed islands issue.³⁸

The fishing expedition ended within two weeks, but Japanese nationalist sensibilities had been touched off, and the affair would not be so easily settled. On 13 April 1978, a group of right-wing LDP Dietmen calling themselves the "Asian Problems Study Group" submitted a resolution to their prime minister and party executive committee charging the Chinese with a "glaring infringement of Japanese sovereignty and of hegemony-seeking," and urged the government and the party to "take resolute action to preserve Japan's territorial integrity in the Senkaku Islands."³⁹ On 18 April 1978, the Okinawa prefectural assembly adopted a resolution calling on the Tokyo government to "take vigorous steps to defend national sovereignty."⁴⁰ Highlighting the role which economic resources play in the Senkaku Islands dispute was a similar appeal to the government made by participants in a mass rally of Okinawa fishermen in Naha, who demanded urgent and effective measures to safeguard their safety in, and access to, the fishing grounds within the islands' territorial waters.⁴¹ Later, LDP Dietmen from Okinawa and the Okinawa Prefect Federation of Fishery Associations adopted a resolution calling on the central government to prohibit foreign fishing in Senkaku waters by maintaining strict surveillance.⁴² In a rare demonstration of national solidarity on matters relating to China, all major Japanese political groupings again signaled that they would not give ground on territorial issues by supporting the government in accusing the Chinese of having directed the whole affair.⁴³ Prominent LDP figures like Nakasone, chairman of the LDP Council on General Issues and Yasui, chairman of the Diet's House of Councilors, called on the government to oppose any territorial claims on Beijing's part,⁴⁴ while justice minister Setoyama, education minister

Sunada, and agriculture and forestry minister Natagawa asked the government not to hurry with the resumption of talks with Beijing.⁴⁵

Chinese analysts on the whole regarded such actions as attempts by Japan to make use of China's strategic vulnerability toward the USSR by pressuring it to cede the disputed islands as the price for including the "anti-hegemony" clause in the PFT.⁴⁶ Speaking to a group of reporters in May, Deng himself reiterated the claim of PRC sovereignty over the disputed isles; however, he also said that incidents like those involving the fishing trawlers would not occur again. The 29 April 1978 editorial of Hong Kong's *Ming Pao Daily* characterized as "taiji (shadow-boxing) diplomacy" China's move over the fishing trawler affair, which it said was unofficially executed according to plan, while officially it was accidental and wholly unpremeditated. It turns out that the Chinese were not the only people capable of this kind of "taiji diplomacy."

In a report to the Diet shortly after, a Japanese councilor minister said that, since Deng had mentioned that the PRC had no intention of taking up the issue of sovereignty, then *inter alia*, the prevailing situation of Japan continuing to exercise effective control over the Senkaku Islands would continue, and "to raise the territorial issue again would reflect a lack of far-sightedness."⁴⁷ Needless to say, the claim of exercising effective control is of course the standard Japanese argument for demonstration of sovereignty in the event of a territorial claim. After the negotiations over the PFT were completed in August 1978, Nakasone said that according to Japanese interpretation, China had "in reality" recognized Japanese control and sovereignty over the Senkaku Islands, because Deng had already guaranteed to the Japanese that incidents like the appearances of armed PRC fishing trawlers in Senkaku waters would never occur again.⁴⁸ What Deng actually said was:

It is true that both sides maintain different views on this question. ... It does not matter if this question is shelved for some time. ... Our generation is not wise enough to find common language on this question. The next generation will certainly be wiser. They will certainly find a solution acceptable to all.⁴⁹

Since then, "shelving claims for economic development" has become China's diplomatic leitmotif in its treatment of all unsettled boundary and territorial questions, from the Sino-Soviet border along the Amur and Ussuri rivers, to the Spratly Islands in the South China Sea, although its effectiveness has yet been tested in practice.

When the issue of sovereignty over the Diaoyu/Senkaku Islands first surfaced during negotiations over the PFT, Deng and his supporters were caught on the horns of a dilemma: Confront Japan over it and risk losing the Sino-Japanese Peace and Friendship Treaty, which would cement a *de facto* security alliance between China and Japan against a common threat from the Soviet Union; or not challenge Japan over it and risk alienating domestic power-brokers who were against Deng's program of opening China to foreign trade and investment, and

would criticize his "open-door" policy as coming at the expense of territorial concessions. However, although Deng might never have heard of Robert Putnam or his study of diplomacy involving "two-level games," the Chinese leader was already a master diplomat of first-class distinction. Deng knew that he could not be perceived as being "soft" on territorial encroachments by the Japanese if he were to have any chance of replacing the autarkic, heavy-industrialization program of his political rivals with his own vision of a Chinese economy based on agricultural productivity, light consumer industries, and foreign trade and investment. However, if he were to make a move against Japanese claims on Diaoyudao, he would have to make sure that he could manipulate Japanese public and official opinion so as to realize the speediest conclusion of the PFT. Fortunately, Deng understood the basis of "synergy," which is to exploit joint gains or mutual benefits in international bargaining, through the creation of conditions favoring cooperation in both China and Japan. In this case, joint gains or mutual benefits in bargaining over the PFT involved an increase in trade and investment between China and Japan, an expansion of the Chinese market to Japanese economic penetration, an external validation of Deng's "open-door" policy by a powerful neighboring Asian country, and the creation of an informal common front against possible military moves from the Soviet Union.

One crucial way to create "synergy" is to target "swing voters," people who hold the keys to gaining domestic ratification of an international agreement, by providing them with "selective" incentives for cooperation. As the Senkaku crisis was developing, representatives of the pro-Chinese pro-PFT lobby were "invited" to Beijing, and eminent Beijing leaders were "explaining" to them "the accidental nature" of the Chinese fishing vessels entering Senkaku waters and the need to disregard that incident for the sake of long-term Sino-Japanese ties. The deputy speaker of the Japanese Diet was met by Liao Chengzhi, chairman of the Sino-Japanese Friendship Society, and a delegation of the Japanese Social Democratic League had talks with Chinese Vice-premier Geng Biao. Liao also met a Japanese Socialist Party delegation led by its chairman, to whom he mentioned Beijing's support for the return of the "Northern Territories" to Japan from the Soviet Union, and Vice-premier Deng Xiaoping himself met with a Komeito delegation, to whom he made clear that there could be no question of not including the "anti-hegemony" clause in the proposed treaty.⁵⁰

China also brought its influence to bear on the Fukuda government by taking its case to Japan. In an interview with Kenji Kono, speaker of the Diet's House of Councilors, Chinese ambassador to Japan Fu Hao criticized the "passiveness" of Premier Fukuda for affecting the progress of the PFT, and "expressed doubts" as to whether he had the desire to sign the treaty.⁵¹ Fu knew that the conservative forces in Japanese politics were deeply divided over the China question. This statement was calculated to embarrass Fukuda, for he had taken the stance of the pro-Taiwan "Asian Problems Study Group" against the pro-PRC position of the "Asian-African Problems Study Group" which supported his two predecessors as prime ministers, Takeo Miki and before him Kakuei Tanaka.⁵² The Chinese also reached out to Japanese political and business circles, by

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shadow-boxing
diplomacy



approaching people like Shin Kanemaru, LDP bigwig and director-general of the Japanese National Defense Agency, who was known as an active champion of the build-up of the Japanese Armed Forces, and businessmen linked to Chinese trading companies through lucrative contracts.⁵³ Such businessmen included Yoshihiro Inayama, president of the Japan-China Association on Economy and Trade and of the Nippon Steel Corporation, who had announced that his company would undertake shortly the construction of a steel-mill in Shanghai.⁵⁴

By working so hard on the "anti-hegemony" clause, the Chinese leadership had probably impressed their American counterparts regarding the seriousness with which the United States should view the success or failure of the proposed Sino-Japanese Treaty and the ability of America's two East Asian allies to contain Soviet "expansionism" in the region. If the Chinese were hoping to get the Americans to exert some *gaiatsu*, external pressure, on the Japanese over the treaty, they were not to be disappointed. During Fukuda's May 1978 visit to the United States, President Jimmy Carter "wished a successful conclusion" to the PFT and said that America "does not oppose the inclusion of the anti-hegemony article in the text of the treaty."⁵⁵ The president's national security advisor Zbigniew Brzezinski also spoke in favor of a speedy conclusion to the PFT in his meetings with Fukuda.⁵⁶ That was all the political space that Fukuda needed to justify his conversion to a pro-treaty stance and calm the fear of Japanese socialists that the PFT might be provocative to the Soviets.

The Senkaku interlude was finally over when Japanese prime minister Takeo Fukuda announced on 27 May 1978 that his government had decided to resume talks with China over the PFT. Deng's skillful use of economic incentives and exploitation of the Soviet bogeyman apparently succeeded in rearranging Japanese coalition politics so that the anti-treaty forces were finally isolated and defeated. By asserting his country's claims to the Diaoyu Islands so visibly and forcefully, Deng also succeeded in brushing up his own nationalist credentials and that of the People's Republic of China at the expense of the Republic of China on Taiwan, which was facing increasing diplomatic isolation and was thus in no position to force a showdown with Tokyo. Incidentally, it was the Japanese Communist Party (JCP) that did not "reverberate" to Deng's threat or enticements, criticizing Beijing throughout the incident in the sharpest tone. Perhaps to demonstrate his party's independence from Beijing, Kenji Miyamoto, chairman of the JCP Central Committee, said that "Japan should take a resolute stance aimed at preventing [Beijing's] actions and proceed in its policy from the premise that the Senkaku Islands are Japanese territory."⁵⁷ The opposition parties should also take a firm stand, Miyamoto reasoned, "otherwise, they will give the impression they are taking a spineless attitude toward seeking a treaty at all costs."⁵⁸ a charge his party would not like to have levied on it. Equally uncompromising was one Ts. Hoshina, spokesman and Central Committee member of the JCP, who accused Beijing of resorting to force to impose its territorial claims on Japan, and of having planned the Senkaku fishing expedition beforehand.⁵⁹

Deng was apparently desperate to sidestep the territorial dispute to avoid a delay in concluding the PFT, which would achieve the higher policy objectives of facilitating closer Sino-Japanese relations and creating a united front against Soviet "hegemony," not to mention a consolidation of his own political position at home against his rivals. If Deng had indeed secured his treaty only by not challenging the *de facto* Japanese control over the islands, although the purpose of the fishing trawlers was to demonstrate that the Chinese people would not yield on sovereignty, then such an action has only postponed the day of reckoning between Japan and the PRC over the Senkaku/Diaoyu Islands, and between both governments and their constituents. If the Chinese believed that the Japanese were as prepared as they were to shelve the territorial question indefinitely in favor of starting joint development of oil on the continental shelf, then the subsequent position of the Japanese foreign ministry on the need to hold talks on the delimitation of a boundary on the continental shelf before proceeding with each country's own development on its own side of the boundary must have seemed very disappointing.⁶⁰ It was indeed the sovereignty impasse that caused the collapse of a series of intermittent and ultimately inconclusive talks held by both sides between 1978 and 1982 over sea-bed exploration for oil in the vicinity of the islands.

As an affront to the Chinese and to demonstrate Japanese sovereignty over the Senkaku, members of the right-wing Japanese nationalist political organization, the Seirankai, including the prominent writer Shintaro Ishihara, promptly erected a simple lighthouse on Uotsuri, the largest of the disputed isles, within days of the Nakasone speech. The first beacon was nothing more than a simple electric lightbulb hanging from an iron pipe.⁶¹ Subsequently, it seems, the Seirankai had planned to erect a second one, and enlisted the help and financial contribution of a second, bigger and wealthier right-wing Japanese nationalist organization, the Nihon Seinensha, or Japanese Youth Federation. However, although their application to the Ministry of Transport ministry to have their proposed lighthouse registered in the navigational chart was approved, the Ministry of Foreign Affairs apparently did not want to create another international incident and vetoed the proposal, and the lighthouse was not authorized for construction. The Seinensha nonetheless went ahead with its construction apparently without government opposition. While the crisis was taking place in April, chief cabinet secretary Shintaro Abe suggested that the Japanese government construct a heliport and a refuge port for fishermen facing typhoons.⁶² However, no immediate action was taken because prime minister Fukuda refused to act on the suggestion. Interestingly enough, the Japanese government then proceeded to build a small helicopter pad on the main island of Uotsuri in August 1979, and in the aftermath of the Tiananmen crisis in China, when no one was paying attention, it officially endorsed the beacon erected originally by the Seirankai by including it in the official Japanese navigational charts published in September 1989.⁶³ Storm clouds were once again gathering over the Senkakus, after a dozen years of relative calm.

over Tiaoyutai and the right of its fishermen to enter its waters, the Olympic torch affair was essentially a patriotic activity of a peaceful nature, and as such, the government would not allow its military to interfere in it.⁷⁰ Hau appealed for calm and reiterated his commitment to settle this dispute with Japan through unofficial diplomatic channels, although that did not stop protestors from demonstrating outside the Taipei office of the Japanese trade and cultural representative by burning the Japanese flag and pelting eggs, nor did it prevent overseas Taiwanese from calling on their home government to use military vessels to escort Taiwanese athletes to the islands and maintain troops there to defeat Japanese aggression. The DPP again attacked the government for not standing up for the national interest of Taiwan, and the fishermen threatened to dispatch 300 boats to the island.⁷¹ Although that threat did not materialize for logistical or other reasons, the Taipei government was forced to set up a special 7th (Coastguard) Detachment to deal with such possible incidents in the future. Faced with nationalistic hotheads on both sides who had good emotional cause to escalate the crisis beyond manageable proportions, Tokyo and Taipei tried hard to downplay the issue. On the evening of 23 October, Japanese Premier Koizumi came out of a caucus meeting with pro-Taiwan members of the DPP and announced that his government would not proceed with plans to officially recognize the Senmensha lighthouse.⁷² On the following day, in an interesting demonstration of the convergence in the expectations and interests of the countries involved, the Taiwanese government responded to this positive signal by announcing that it would not protect individuals going to the islands, and it would protect fishermen only if they applied beforehand and avoided entering the islands' twelve-mile territorial sea.⁷³

The Chinese government also reiterated its claims to the islands, but again called on all parties to shelve the issue of sovereignty and jointly develop the area's fishing and natural resources.⁷⁴ That offer was not taken up by any of the parties involved, but this time China did not take any concrete action to back up its claim, probably out of gratitude to the Japanese government for being the first major government of the world to resume bilateral aid to China after the Tiananmen Square incident.⁷⁵ Aside from the fact that China has been the largest recipient of Japanese Official Development Assistance (ODA) since 1979, Japan's ODA to China in 1990 alone amounted to US\$723 million in loans and grants.⁷⁶ The island issue then remained dormant until July 1996, when the Senmensha erected another lighthouse on one of the Senkakus and started another fracas.

The fourth incident: the Kita-Kojima lighthouse (1996)

On 14 July 1996, while the Japanese Diet was debating a bill which would announce Japan's 200-mile EEZ, members of the largest right-wing Japanese nationalist group, the Nihon Seimensha, built a 5-meter-high solar-powered aluminum lighthouse on one of the smaller disputed islands named Kita Kojima. Supposedly done for the sake of maritime safety, Seimensha's action was

The third incident: of torches and lighthouses (1990)

The 1990 incident over the Senkakus was largely a row between the Japanese right-wing Seimensha group and Taiwanese fishermen's associations, which turned out to be quite a formidable pressure group, ultimately involving the Japanese and Taiwanese governments. The fall of 1990 witnessed the start of the Gulf War and heated debate in the Japanese Diet on the doomed Gulf Cooperation Bill (GCB) that would have dispatched Self Defense Forces to the region and elsewhere in the world in a non-combatant role.⁶⁴ On 29 September 1990, the Japanese Maritime Safety Agency (MSA) decided to recognize the lighthouse constructed by the Seimensha in 1978 by including it in the official navigational charts and allowing members of the right-wing group to renovate the lighthouse, which they promptly did.⁶⁵ Drawing the conclusion that the GCB debate, MSA action and lighthouse renovation were more than coincidental, on 11 October members of the opposition Democratic Progressive Party (DPP) in the Taiwanese Legislative Yuan began pressuring their own government to break its silence and reaffirm sovereignty over Tiaoyutai. Facing pressure on the Kuomintang (KMT) government's political legitimacy, which rested on its claim to represent and govern all China, the premier of the Executive Yuan, Hau Pei-tsun, had to come up with a statement that the government would not tolerate Japanese invasion of Chinese territory and that the sovereignty of Tiaoyutai would be protected. On 14 October, the Taiwanese foreign ministry reported that they had convinced the Japanese government to put a stay on the Seimensha application for official recognition, but by then activists from the Taiwanese associations of fishermen from Ilan and Kaohsiung, two major fishing ports whose economies depend heavily on fishing in the waters off the disputed islands, were getting boats ready for the purpose of sailing to the disputed islands for a show of force.⁶⁶

It was then that KMT Mayor Wu Dun-yi of Kaohsiung stepped into the picture by organizing two fishing boats to transport athletes from the "Taiwan Area Athletic Meet" with an Olympic torch to plant on the main island to affirm Taiwan's claim to Tiaoyutai.⁶⁷ Whether this action reflected Mayor Wu's own concern and initiative, or whether it had the government's tacit consent and was done to channel political support to the KMT, as Wu later claimed, remains unclear to this day.⁶⁸ Probably on account of its low international prestige after the Tiananmen Square incident a year before and its reluctance to further antagonize the Japanese, the PRC did not send or allow any of its fishing craft into the Diaoyudao territorial sea this time, although it did join in the fray to denounce Japan's claim, which brought forth a response by the Japanese government reaffirming Japanese sovereignty over the islands. The climax of the incident was when the two boatloads of athletes and accompanying journalists were prevented from landing on the Tiaoyutai Islands by twelve patrol ships and two helicopters from the Japanese MSDF, and had to turn back on the same evening of 21 October, mission unaccomplished.⁶⁹

On the following day, to play down the issue, Premier Hau pointed out that, although his government would do its utmost to defend Taiwan's sovereignty

wing group within the LDP. According to its manifesto, Seirankai means "clear storm society," denoting "a summer storm that blows away the stuffy atmosphere, enlivens heaven and earth, and creates an iridescent rainbow of hope." The name was provided by Shintaro Ishihara, novelist and politician, Mayor of Tokyo, and intimate associate of Yukio Mishima, the well known writer who committed ritual hara-kiri in 1970 after a failed attempt to inspire a military coup. The origins of Seirankai may be traced to the spring of 1972, when Ishihara and some 160 LDP Dietmen formed an intra-party coalition for the purpose of resisting moves by the party leadership to establish diplomatic relations with China. In July 1973, thirty-one of the more extremist members of this group announced Seirankai's formation. Its membership consists of mostly young, discontented men from non-elite schools with little hope for access to leading party positions. Seirankai, like the Soshinkai, another powerful faction within the LDP that included former prime minister Kishi Nobusuke, called for a new constitution without the "war-renouncing clause," and providing more police power, a greater military build-up, and the inculcation of Japanese ethos and nationalistic morality in schools. Being one of Japan's 800 right-wing nationalist groups in the 1980s, Seirankai's membership may have been small, claiming 3,000 at most,⁸² but it certainly exerted an influence way beyond its limited size to the highest corridors of power, for in its heyday it counted fourteen members of the Fukuda faction and ten of the Nakasone faction in its ranks.⁸³ Although the Seirankai was not directly involved in this Senkaku episode, its leader Ishihara alluded in a newspaper interview to MOFA as a traitorous organization for preventing the authorization of the lighthouse out of consideration for China's feelings.⁸⁴

By 1990, the political grouping with the strongest organizing and financial power was the Nihon Seimensha, headquartered and active in Tokyo's expensive Chizu district. Its founder was one Kusuo Kobayashi, a one-time vice-president of the gangster-group Sumiyoshi-kai.⁸⁵ After Kobayashi's death in January 1990, leadership of Nihon Seimensha fell to a fifty-nine-year-old man by the name of Ito Toyohisa, a one-time Seirankai activist who had made Japan's claim to the Senkaku Islands his life-long cause. It was he who, with half a dozen associates, erected the first lighthouse on Uotsuri in August 1978, and with another six colleagues built the second one on Kita-Kojima in July 1996. He is also closely associated with the Senkaku Islands Defense Association, another nationalist group based in Okinawa's capital Naha, whose members erected the Japanese flag and unveiled a memorial plaque to wartime residents on the main island.⁸⁶ Aside from erecting lighthouses on disputed islands, Seimensha also mounts attacks on ultra-leftist groups and supported the Mujaheddin in Afghanistan, in line with its founding philosophy of asserting Japan's territorial claims, opposing Communism and restoring the pre-war rights of the emperor.⁸⁷ As Eto said in an interview, "Sometimes I wish the government would take the lighthouse over, so I can withdraw from it all." Authorities estimate there are about 120,000 right-wing sympathizers in the country, though not all of them are involved with the Senkaku issue. However, it can be safely assumed that, to the Japanese in

more likely carried out to give substance to the government's impending 200-mile EEZ declaration, anticipating that the government would involve the country in some maritime boundary dispute with its neighbors once the declaration came into force. True to Seimensha's anticipation, the Japanese government asserted on 20 July its claim for exclusive economic development rights within the 200-mile EEZ around the disputed islands and the rest of Japan, although it is doubtful according to UNCLOS III if uninhabited or uninhabitable rocks like the Senkakus qualify for an EEZ. At a press conference called by Japan's Ministry of Foreign Affairs (MOFA), the press secretary denied any territorial dispute regarding the Senkaku Islands, which he referred to as an integral part of Japanese territory under the effective control of Japan, although he did confirm that a lighthouse had been constructed on Kita-Kojima, and that the MSA was then patrolling the area. However, it was significant that he chose to dodge the "hypothetical" question as to what the Japanese government would do if Japan's sovereignty were violated, leading one to conclude that the Japanese government was not ready to exacerbate this particular dispute by resorting to military action, at least not at that moment.⁷⁷

To reiterate Japan's claims over the islands, another nationalist group calling itself the Senkaku Islands Defense Association erected a Japanese flag on the largest island of Uotsuri.⁷⁸ After a typhoon destroyed the one-month old lighthouse in August, the Nihon Seimensha again sent some of its people to repair it and put up more flags and a memorial plaque the following month. Coming before the 18 September anniversary of Japan's invasion of China, this could not have been better timed to provoke the reaction of both the Chinese and its own government. On 30 September Japanese Prime Minister Ryutaro Hashimoto, leader of the LDP, who had once served as chairman of the "Japanese Association of Bereaved Families of the War Dead," announced that his party would support Japan's claims to the islands, probably with a view to capturing the nationalistic vote in the Diet elections set for 20 October. The election saw Hashimoto retain the premiership, more seats for the LDP, and the JSP being replaced as the main opposition party by the Shinseitō (New Frontier Party), a new political party formed in 1993 whose main differences with the LDP were over domestic rather than foreign policy.⁷⁹ Together, both conservative parties controlled 80 percent of the seats in the Japanese Diet after the 1996 general election, with the LDP and Shinseitō winning 251 and 156 of the 500 seats respectively.⁸⁰

Nationalist groups, whose memberships claim but a small minority of the Japanese population, have traditionally been able to exert a disproportionate influence on the political process of post-war Japan. This is because the long-time ruling LDP has always been a factionalized coalition of conservative forces that portrayed itself as the alternative to the opposition socialists, and was especially divided over the question of recognizing China. Since its inception as a political party in 1955 with the amalgamation of the Liberal and Democratic parties,⁸¹ the LDP has harbored many nationalist groups or caucuses. The Seirankai, whose members constructed the 1978 lighthouse, is a vigorous right-

these nationalistic organizations, every former imperial power such as Japan should be entitled to retain captured territories, especially if these are places like the Senkakus, which have been considered to be Japanese territory since as far back as the nineteenth century!

From 28 August 1996, when the Japanese foreign minister asserted Japanese sovereignty over the Senkakus on his visit to Hong Kong, until the 18 September anniversary date came to pass, there were daily protests and demonstrations in Hong Kong. The biggest anti-Japanese protest march drew 20,000 people.⁸⁸ and provided a great opportunity for Hong Kongers of all political stripes to demonstrate their allegiance to the motherland in anticipation of Hong Kong's return to China in less than a year's time. These events were led by the same pro-democracy activists who had been campaigning against Chinese plans to replace the partially elected colonial legislature with a provisional one. These activists were apparently hoping not only to tap into a genuinely popular cause for political support, but also to prepare the ground for future demands that would be difficult for China to resist. An editorial on Hong Kong's *Ming Pao Daily* captured the popular mood when it declared that

It is significant that we have not lost our nationalist bearing even during the long years of colonial rule. On the contrary, the shameful memory of the loss of our land is vividly clear in our minds. We cannot allow history to be repeated. We cannot tolerate Japanese militarism raising its ugly head again.⁸⁹

To the Chinese, Tiaoyutai is unfinished business, a legacy of the last war with Japan, and issues like that of compensation for the former sex-slaves or "comfort women" of Japanese soldiers, visits to the Yasukuni war memorial by Japanese premiers and politicians, and the anniversary of the outbreak of the Pacific War serve as reminders of the shame and suffering visited on them by the unrepentant and unforgiven Japanese invaders.⁹⁰ Indeed, the statement by Japan's foreign minister seemed to have galvanized Chinese everywhere who are often divided over politics and distracted by daily realities. The "Protect Tiaoyutai" activities of the Hong Kong, Taiwanese, and North American Chinese, and the actions of anti-Japanese activists in China, once again went into full swing. Whatever opportunities or win-sets which might have arisen for compromise regarding the dispute at government or semi-official level would certainly have diminished quickly, given the uniformly negative public feedback, at least among the Chinese.

For Taiwan, whose foreign ministry issued a statement on 24 July reaffirming Taiwan's sovereignty over the disputed islands, the primary concern seemed to be fishing rights. If Taiwan were to accept the 200-mile limit set by Japan, it would have to negotiate fishing allocations with Japan in the rich fishing grounds surrounding the Tiaoyutai Islands. The Taiwanese do not wish to recognize Japan's claims over the islands, or be denied access to the vicinity, in which case, Taiwan fishermen claim, of the 2,000 boats now in operation, only 300 will

survive.⁹¹ The estimated annual catch from the area in 1996 was 40,000 tons, worth NT\$1.8 billion.⁹² Meanwhile the governor of Taiwan, Soong Chu-yu, appealed for calm and stated his country's willingness to submit the issue for international arbitration or start joint development talks with the Japanese.⁹³ To force the issue to a head, the Taiwanese Ilan and Suao Counties Fisheries Cooperative decided on 20 July to send a 200-boat flotilla to the islands between 28 July and 3 August,⁹⁴ and could only be dissuaded from the adventure by President Lee Teng-hui himself. Councilmen from Taiwan's Ilan county, the economy of which relies heavily on fish catches from the Tiaoyutai vicinity, then passed a resolution requesting military support for the fishermen. Sensing a political opportunity, legislators from all three major political parties represented in Taipei's National Assembly, the ruling Kuomintang (KMT), the major opposition Democratic Progressive Party, and the New Party, followed with calls on the government to dispatch the coastguard and the navy to Tiaoyutai.⁹⁵ To stave off Taiwan's claim to the area, both the Yaeyama Fisheries Cooperative and the Ishigaki City Assembly of Okinawa reacted by petitioning Tokyo to acknowledge the lighthouse.⁹⁶ After a Taiwanese fishing boat was putatively shot at by a Japanese warship off Tiaoyutai waters,⁹⁷ a round of fish talks was held on 3 August between Taiwan and Japan, but although Japan agreed informally not to obstruct Taiwanese fishing vessels operating in the waters of the disputed islands, there was again no progress over the sovereignty issue.⁹⁸

On 10 September, four fishermen's associations and members of the legislature again called on the government to send warships to protect fishing rights near the disputed islands.⁹⁹ Meanwhile, the Chinese Patriotic Alliance, founded in 1972 by Taiwanese students in the United States, called on both Taiwan and the mainland government to put aside their political differences and join hands in protecting Chinese territorial integrity.¹⁰⁰ A United Daily News poll found 69 percent of those questioned supporting the use of force to resolve the issue, which so concerned President Lee, foreign minister John Chang, and then KMT secretary-general Ma Ying-jeou that all three publicly appealed for calm and peaceful cooperation to resolve the issue.¹⁰¹ However, there were expressed doubts as to whether the Taiwanese armed forces would be able to defeat Japan. What was left unsaid, of course, was that Taiwan might in future need to count on Japanese military assistance in the event of an attempted invasion by China. Furthermore, Japan was already Taiwan's largest trading partner and source of overseas investment. Bilateral trade reached US\$45 billion in 1996,¹⁰² and Japan invested US\$394 million in Taiwan for the first nine months of 1996.¹⁰³ Japan has in the past tacitly agreed to allow Taiwanese fishing boats unimpeded access to the Senkaku waters, and may continue to do so again, if Taiwan does not take too hard a sovereignty line and both countries can come up with some understanding to treat the dispute primarily as an economic issue. Taiwan's negotiating position is relatively weak, for it is not recognized as a state by China or Japan, and not being a member of the United Nations, does not have a right to submit disputes to the International Court of Justice for resolution. As both Japan and the PRC have publicly stated since normalization of

than lose an inch of soil.¹⁰⁸ Still, the Chinese government attempted to downplay the controversy by instructing Foreign Minister Qian Qichen to raise the issue with his Japanese counterpart Yukihiko Ikeda at their scheduled meeting at the United Nations on 19 September.¹⁰⁹ Ikeda reportedly agreed with Qian's request to handle the lighthouse application "cautiously."¹¹⁰ Insisting that Japan's government did not support the activities of Seinensha, Ikeda said he would like to keep such a situation from adversely affecting the "very, very" important relations between China and Japan.¹¹¹ However, no concrete steps were agreed to in order to resolve the crisis.

Three days later, a group of Hong Kong protestors and journalists set sail for the Diaoyutai Islands in a worn-out vessel. Upon being blocked by the Japanese MSA from reaching the islands, four activists jumped into the water in an attempt to swim to shore, and one of them, reporter David Chan, suffered symptoms of drowning and died after he was pulled out of the water and efforts to resuscitate him failed. Chinese Deputy Foreign Minister Tang Jiaxuan promptly summoned the Japanese ambassador to his office to issue a protest blaming Japan for Chan's death. At a press conference immediately following this, MOEA was forced on behalf of the Japanese government to deny again that it was in any way involved in the activities of Seinensha, and at four separate times called on all sides to approach this matter calmly. However, MOEA also insisted that the government could do nothing to stop the actions of Seinensha because the island's owner "did not express his objections to the group landing on his island."¹¹² Strangely, this Japanese owner of the island was never identified. On the same day that Chan's funeral procession took place, Hashimoto announced that the LDP would support the government's claims to the Senkakus. This was too much for Beijing. In his National Day Address, Premier Li Peng condemned Japan by name for violating China's territorial sovereignty, and warned the Japanese government that failure to restrain the activities of rightists could damage bilateral relations.¹¹³

However, despite its anger, Beijing was determined to prevent ordinary Chinese from making similar protests or organizing anti-Japanese demonstrations on their own initiative. A group of 257 civilians from Beijing and Tianjin had sent a letter to Jiang Zemin and the two vice-chairmen of the Central Military Commission, Liu Huaqing and Zhang Zhen, urging them to dispatch troops to the disputed islands to assert Chinese sovereignty and remove the offending lighthouse.¹¹⁴ Not only did they receive no reply, but Tong Zeng, the activist who had organized the petition, was quietly flown to the city of Lanzhou, 750 miles west of Beijing, together with five of his fellow activists.¹¹⁵ Tong had originally planned a rally outside the Japanese embassy, but dropped the idea in favor of sending a letter of protest against the Japanese "occupation" of Diaoyudao after what he described as pressure from the Chinese authorities. Before his banishment, Tong said that the government had accused him of "interfering in foreign affairs and affecting anti-Japanese relations,"¹¹⁶ which in fact he was. Security was visibly tightened around the Japanese embassy, and students from Beijing University and other major academic centers around the

bilateral relations in 1972, the question of this sovereignty dispute will be settled directly between them and will not involve Taiwan.

Following Seinensha's 9 September landing, MOEA announced in a press briefing the next day that the government of Japan was not involved in, and did not support, Seinensha's activities, which was significant, since this was the first time the authorities had come out saying so since the affair started in mid-July. MOEA also disclosed that on 28 and 29 August, the governments of China and Japan had reached an accord on extending the fishing agreement between the two countries first negotiated officially after normalization, now that both countries had ratified UNCLOS III. However, they were said to have discussed the Senkaku issue but could arrive at no conclusion. As to the position of the Japanese government on the lighthouse, MOEA's stance was that "the islands are privately owned, the Japanese government cannot be directly involved ... and we consider this building as just a physical building and not a lighthouse according to Japanese law." In other words, the Japanese government could do nothing about private property, and anyhow, there was really no lighthouse to object to. MOEA's press secretary reiterated that silence on the part of the island's unnamed and unreachable owners indicated consent for Seinensha's lighthouse venture, but when asked why MSA vessels could go to the islands while foreign fishing boats and reporters accredited to Japan were turned back, the press secretary said that checking on such domestic activities was really quite beyond his ministry's competence.¹⁰⁴ The only conclusion that could be drawn was that, irrespective of the legality of the Seinensha action, the MSA was there to make sure that they were not harassed in their endeavor to proclaim Japan's territorial rights. However, the press secretary did seem to express his government's concern over the international repercussions of the Seinensha action when, during the same press conference, he thrice called on all parties concerned to remain calm so as not to jeopardize existing relations.

The government of China was quite content to let the overseas Chinese of North America, Taiwan and Hong Kong take the lead in expressing the Chinese people's outrage, until the scale of these activities, together with Nihon Seinensha's 9 September attempt to repair the lighthouse it had first erected in July, forced Beijing to break its diplomatic silence. The Chinese foreign ministry lodged its first formal protest in Tokyo on 10 September by upbraiding the Japanese government for failing to control the activities of its citizens on the disputed islands.¹⁰⁵ For weeks before, and even after the 18 September anniversary of Japan's invasion of China, the Chinese government allowed Party and army newspapers to adopt a shrill, nationalist and anti-Japanese tone to counter criticisms by local and overseas Chinese of its alleged "softness" toward the Diaoyudao sovereignty issue because of its valuable trading ties with Japan.¹⁰⁶ In a commentary, the official *People's Daily* accused the Japanese government of "leading Sino-Japanese relations astray" by "conniving" with the right-wingers, and wondered whether their activities "have the government's tacit support and whether there are ulterior motives for stirring up these incidents."¹⁰⁷ The *Liberation Army Daily* bellowed that "it would rather sustain a heavy economic cost

country were placed under tight surveillance after posters calling for demonstrations were discovered on university campuses by security agents.¹¹⁷ In one publicized case, the government moved to censor computer communications after one message on an internet bulletin board called for protest at the Japanese embassy in Beijing.¹¹⁸

Although nationalism was an important component of Jiang Zemin's philosophy of a "spiritual civilization" for China, his intention was to fill the gap in the national psyche that had previously been occupied by socialism, not to encourage provocative gestures or public demonstrations which might scare away China's biggest creditor nation. Apparently, the absence this time of any armed fishing boats from China meant that, compared to eighteen years previously, capital, technology transfer, trade and investment had a demonstrably higher priority for the Chinese government than any unrestrained contest over the sovereignty of a cluster of barren and uninhabited rocks. It could also have meant that, lacking a strong individual leader like Deng, the collective leadership of China might not want to be responsible for any consequences arising from provoking the Japanese. Jiang was also understandably nervous about promoting any cause which might have brought students and workers onto the streets, because once public protest began, they might not have stopped at the issue of the Diaoyudao or of Japanese war crimes reparations. Small-scale protests might in all likelihood have turned into widespread social discontent with the Communist leadership itself, as a target for the disaffection of millions of Chinese chafing against job losses in bankrupt state industries, corruption by Party cadres, and the wealth and ostentatious consumption habits of the small but visible nascent affluent class. So long as any anti-Japanese diatribe was restricted to a war of words in the Party newspapers, it could in no way weaken the nationalist credentials of any or all of the Chinese leaders hoping and waiting to inherit the mantle of the late Deng Xiaoping. However, the Diaoyudao issue would become extremely troublesome were it to mushroom into an autonomous anti-establishment movement. To that end, even the National People's Congress was prevented by the Chinese Communist Party from issuing a letter of protest regarding the problem, for fear of provoking the nationalistic sentiments of the public at large.¹¹⁹

Publicly, Beijing has been blaming policy-makers in Tokyo of falling under the sway of the right-wing militaristic minority, but there is reason to believe that China suspected the US and Japan of being involved in this islands fracas in a move calculated to contest, if not constrain, any attempt by China to expand its power and influence seaward. The release of Japan's 1996 National Defence Agency "white paper" in the midst of the July crisis, which argued that China should be "watched with caution, in view of its promotion of nuclear weapons, naval and air force modernization, and its 10 percent annual increase in military spending for the past eight years," could not have endeared the Japanese government to its Chinese counterpart.¹²⁰ China has officially denounced the move by both Tokyo and Washington to reaffirm the US-Japan Security Alliance in April 1996, taking it to be an act to contain China. An editorial in the English-

language *China Daily* held Washington "directly responsible" for the resurgence of Japanese militarism, "by choosing to overlook the omens of extreme nationalism in Japan while sowing suspicions on and pestering China about rising Chinese nationalism."¹²¹ It was at this time that the Chinese authorities surprised everyone by permitting the publication and circulation in China of a controversial anti-Western and anti-Japanese popular book, *China Can Say No*.¹²² China could not have been blind to Japanese newspaper reports that, since late September 1996, the Japanese Air Self Defense Force had dispatched E2C early warning aircraft to patrol the Senkaku airspace.¹²³ Unfortunately, the live-firing exercises in the Taiwan Straits conducted by China to coincide with the presidential elections on Taiwan in March 1996 could only have diminished future negotiating win-sets over Tiaoyutai, as the Japanese leadership and public became more "uniformly negative" in their suspicion of China's intents and their apprehension of its military capabilities.

A seven-member negotiating team from the Taiwanese foreign ministry, interior ministry, and the state-funded unofficial Council of Agriculture left for Japan on 3 October 1996 to discuss fishing rights and other issues arising from the Diaoyu islands controversy with leading officials of the "Japan Interchange Association," which handles Japan-Taiwan affairs.¹²⁴ An official of the Council of Agriculture announced that although Taiwan would seek maximum fishing rights for its people, it would not do so at the expense of a concession on sovereignty. Perhaps this round of semi-official talks did bear some fruit, for when the delegates left Tokyo for Taipei two days later, they announced that the Japanese had agreed to adhere to a previous understanding not to interfere with Taiwanese vessels fishing outside the 12-mile territorial sea limit of the islands.¹²⁵ The Japanese government, on its part, announced that it would not grant official recognition to the Kita-Kojima lighthouse, although it did not order the lighthouse to be taken down. The last time the Japanese government had said it would not grant official recognition to a lighthouse built by a right-wing group on the islands, it had waited eleven years to do just that.

On 6 October, led by a Taipei county councilman, 300 Taiwanese and Hong Kong activists set sail again to Tiaoyutai in twenty-nine fishing boats, some of whom landed on the main island briefly to hoist both national flags of the PRC and ROC before being chased away by Japanese vessels.¹²⁶ At least one of the protest boats was chartered by the Taiwanese New Party for its activists, a clear sign of the involvement of a political party in the Tiaoyutai imbroglio.¹²⁷ The activists claimed victory, but the ultimate aim of all protesters – to demolish the Beihensha lighthouse which cost David Chan his life – remained unfulfilled.

After the latest brouhaha had all but blown over, the US State Department reiterated its stance adopted on the eve of the Okinawa Reversion twenty-four years previously that it would not side with Japan, China or Taiwan in their claims over the sovereignty of the Senkakus.¹²⁸ US Ambassador to Japan Walter Mondale subsequently stated that the Senkakus were not covered by the Japan-US security alliance.¹²⁹ The US seemed to be employing a mild form of external pressure (*gaiatsu*) to signal to Japan's post-election LDP that it was not the time to

adopt a more nationalistic foreign policy. As one analyst noted, "the US simply cannot build a new Pacific Rim order without Japanese help, and Japan cannot help if it shows bad faith on bilateral territorial issues and becomes a diplomatic *persona non grata* to other Asian countries."¹³⁰ On 13 November 1996, in a move to repair the damage caused to Japanese relations with China as a result of the Senkaku incident, Japanese foreign minister Ikeda described Japan-China relations as being on the same footing as that of Japan-US relations, and said that not only was the government not involved in the construction of the "beacon," but that even if an application were to be made under the Channel Marker Law, "we will not give our approval."¹³¹ Nevertheless, the position of the Japanese government is to settle the delimitation of the continental shelf between Japan and China before starting talks on joint exploration.

As long as China and Taiwan eyed one another with suspicion, it would be impossible for them to coordinate a common sovereignty, economic or strategic position *vis-à-vis* the Japanese, other than separately reaffirming historic Chinese sovereignty over the islands. A pointed example was Taiwanese defense minister Chiang Chungling's public statement that Taiwan's policy in the Tiaoyutai affair would be to offer no protection to protest boats displaying the mainland flag.¹³² On the other hand, Japan has effective administrative control of the disputed territories and is in the best position to play off one party against another – negotiating on sovereignty with China, bargaining on fishing rights with Taiwan, and reserving for itself the freedom to maneuver its air force, coastguard and navy in the vicinity of the islands which it controls, while allowing its oil companies to explore for undersea minerals and its fishermen to engage in fishing activities.

The Japanese had no need to remind their neighbors that their cumulative investments up to 1996 amounted to \$13 billion in China, \$6 billion in Taiwan, and \$14 billion in Hong Kong.¹³³ Japan has been the largest supplier of development-aid to China, contributing an estimated \$19 billion between 1979 and 1995; it has been China's largest trading partner since 1993, and is the third largest investor in China, behind the United States and Hong Kong.¹³⁴ While in 1950, when Sino-Japanese trade was conducted on a small scale between small and medium-sized trading companies, the trade volume measured a paltry \$40 million, compared to almost \$1,000 million in 1972, the year relations were normalized between China and Japan.¹³⁵ The value of bilateral trade subsequently rose to \$4,073 million in 1978, \$18,201 million in 1990, and \$62,230 million in 1996.¹³⁶ In 1995, 19.1 percent of China's exports went to Japan.¹³⁷ Total Japanese loans and investments in China used by the Chinese were valued at \$3,212.50 million in 1995.¹³⁸

Since 1996, the governments of China, Taiwan and Japan have done nothing to encourage, and have indeed taken every measure possible to forestall further incidents from breaking out over the disputed rocks. Given the collapse of the USSR and world Communism, their common enemy in Asia, the value of the 1978 Sino-Japanese Peace and Friendship Treaty to both China and Japan has declined. If so, then the domestic political cost of bilateral disagreement has also

declined. As a result, leaders in both countries may prove less willing to accommodate the domestic situation of their partner, for the value of positive reverberation from compromise and agreement between the two governments will now be lowered. Assertive nationalism in China, and to a lesser extent in Japan, is held at bay by expectations of mutual economic gains through increased trade and investment, and fear of accidental military provocation. However, should the matrix of the equation be altered, nationalist pressure on either side, aggravated by trade imbalance amidst uncontrolled arms build-up, could lead to a marked rise in the frequency and magnitude of unpredictable incidents surrounding Diaoyudao/Senkaku.

In the 1970s and 1980s, during the Cold War with the Soviet Union, the US, China and Japan had formed a *de facto* strategic alliance against the USSR, and the islands issue could be temporarily shelved for the sake of common security interests. However, the US and Japan are now both undecided as to whether to engage China comprehensively as an equal player in the international system, or regard it as a rising regional hegemon and troublemaker to be quietly checked. What is apparent is that, while the actual amount of oil imported by Japan has actually decreased,¹³⁹ China became a net importer of the mineral for the first time in 1993. This means that, if drillings on the offshore East China Sea wells pan out, she may increasingly desire a quick and advantageous resolution to the sovereignty question of the Diaoyu Islands. If the US and Japan are concerned about China's might and perplexed by its intentions, they have even less idea on what to do with Taiwan. As such, while the US devises a long-term Chinese strategy, it would probably feel safest were the Senkaku Islands to remain in the hands of their most steadfast and long-term ally in the Asia-Pacific region – the Japanese.

Subsequent incidents, findings and conclusions

So what has been demonstrated by the involvement of domestic politicized pressure groups in the official actions and reactions by the governments of the three claimant states of Japan, Taiwan and China with regard to the recurring dispute over the Diaoyu/Tiaoyutai/Senkaku Islands?

Negotiation is a search for joint gains by two or more parties in a situation characterized by both conflict and cooperation. A creative way of finding joint gains through negotiations is to "unbundle" different interests and give to each what it values most.¹⁴⁰ If China is found to care a great deal about sovereignty over those little pieces of Diaoyu rocks, while Taiwan is heavily concerned with continued access to fishing grounds, and Japan wants to develop hydrocarbon resources in the sea-bed as soon as possible, then perhaps a way can be found by government negotiators from the three countries to give China "sovereignty" over the rocks themselves, award Taiwan the water column of the territorial sea and the living resources in it, and grant Japan the right to exploit the resources in the sea-bed below the territorial sea. Unfortunately, there is no way of discerning the preference ranking of the interests of each party, and if asked,

the negotiators would most likely hold to a claim for everything about the islands, especially when they know that their governments have an eye out for settling other outstanding territorial claims as much in their own favor as possible.

Even before the Diaoyu/Tiaoyutai/Senkaku Islands controversy first surfaced in the late 1960s, all three contestants to the claim were already having territorial sovereignty disputes with other countries. Taiwan was contesting claims with Southeast Asian countries as to the sovereignty of the Paracel and Spratly island groups in the South China Sea; China was also claiming these South China Sea islands in addition to involving itself in violent border disputes with India and the Soviet Union; and Japan was involved in territorial sovereignty claims with the Soviet Union over four islands in the Kurile Chain and with (South) Korea over the Tokdo/Takeshima/Liancourt Rock in the Sea of Japan. As such, every one of the state governments knows that willingness on the part of any of the three parties to settle for less than absolute and undivided sovereignty over the Diaoyu/Tiaoyutai/Senkaku Islands may compromise or even jeopardize its negotiating positions with other countries with which it has ongoing disputes over sovereignty. Hence it is little wonder that the Japanese, Taiwanese and Chinese governments chose to adhere to a maximal claim and an inflexible official bargaining position over this particular territorial dispute.

Equally if not more important than the countries' positions on the sovereignty question are the domestic factors at play, which more or less decided the timing, method and intensity of the dispute.

Each recurrence of the dispute over the Diaoyu/Tiaoyutai/Senkaku Islands was always preceded by some major inter-governmental negotiation or national debate on an important territorial, economic or security issue, which was then promptly followed by the activities of non-governmental nationalist organizations out to assert sovereignty claims on behalf of their countries. In the early 1970s, it was the discovery of offshore oil deposits and official talks on joint development that led to the placing of Japanese boundary markers on one of the islands, and to nationalist demonstrations by Taiwanese students. In 1978, it was the negotiations over the Sino-Japanese Peace and Friendship Treaty that led to activities by Japanese right-wingers to construct a lighthouse on the biggest island and to the dispatch of armed Chinese "fishing junks." In 1990, it was the debate over the Gulf Cooperation Bill in Japan's Diet and the decision by its government to recognize the lighthouse that sparked off another right-wing expedition to the islands and the Taiwanese torch relay. In 1996, debate in the Diet on establishing a 200-mile EEZ led to further expeditions to the islands by Japanese nationalists in order to build and repair a new lighthouse, which again gave rise to massive protests, demonstrations and other activities by Taiwanese, Chinese and Hong Kong activists. In January 2003, when the Diet was debating how to assist US forces in its pre-emptive assault on Iraq, the Japanese government apparently leased several of the disputed islands from a Japanese family which, it claimed, had owned them for more than thirty years. After news of this transaction leaked, thirteen mainland Chinese and two Hong Kongers set sail for

the islands in June 2003 on a fishing boat in protest, but were quickly and peacefully turned back by nine Japanese patrol ships and five aircraft.¹⁴¹ As we can see, the periodic outbreaks of this Diaoyu/Tiaoyutai/Senkaku affair were never fortuitous.

The use of symbolic and emotive gestures was the method by which domestic forces asserted their claims to the islands, probably because they themselves respond most readily to nationalistic forms. They calculated that by planting flags, placing border markers, setting up commemorative plaques, constructing small beacons and lighthouses, inviting journalists to witness their physical presence on the islands, and swimming off their shores, they would be able to make the greatest appeal to a broad populace which has little time or patience to appreciate convoluted technical and legal arguments on CSCs, EEZs, or the validity of territorial claims under international law. The governments of the three disputant states have tried as best as they can to cool tempers and play down the controversy whenever it has arisen, but as long as the issue of territorial sovereignty over the islands remains unresolved, they will not be able to prevent these domestic forces from seizing the initiative once again to assert their nationalistic claims. When a Japanese Dietman and three fellow nationalists visited the islands in May 1997,¹⁴² they were quickly denounced as provocative by their government, which subsequently deployed sixty patrol craft and five helicopters to prevent 200 Taiwanese and Hong Kong activists from reaching the islands in boats as a sign of protest.¹⁴³ On 4 August 1999, Japan's House of Representatives' National Security Committee canceled a plan to send some of its members to "inspect" the disputed islands and erect a Japanese flag there, when news of the proposed visit leaked and a noisy protest involving more than eighty people was staged outside the Japanese consulate in Hong Kong the day before.¹⁴⁴ The quick and decisive action taken by the Japanese authorities in criticizing its own nationalists and stopping the protest boats, together with the scrupulous silence observed by the governments of China and Taiwan, prevented this episode of the long-running Diaoyu/Tiaoyutai/Senkaku saga from mushrooming into another drawn-out fracas.

The intensity of the dispute seems to be closely related to the rise of nationalism in China, Taiwan, and Japan following the "end of ideology." With the collapse of Communism in particular and ideology in general, nationalism seems to have returned with gusto, both in East Asia and throughout the world. In the Chinese, memories of the Pacific War figures prominently, and Diaoyudao/Tiaoyutai represents to them an attempt by Japan, led by its right-wing nationalists and militarists, to keep from the Chinese what it stole from them during half a century of invasion and occupation. They will not allow Japan to escape its unpleasant, embarrassing and shameful past. In this, they are aided by those Japanese who exhibit a form of national stubbornness and denial behavior by refusing to consider their past actions and by not considering the claims of those who suffered as a result of being invaded by Japan.

On the Chinese side of the dispute over sovereignty of the islands, it should be noted that there was a kind of competitive nationalism at work among

identified as a threat to China's vital interests, then nationalism might even turn aggressive and lead to war.¹⁴⁷

On Taiwan, all major political parties compete with one another to voice support for actions to defend national sovereignty and the livelihood of the very vocal fishing lobby, which perceives itself to be threatened by any move by the Japanese to close off the Tiaoyutai waters to Taiwanese fishermen. However, most people there would appreciate that trade and investments with Japan are too important to be held hostage to the fortunes of tiny, uninhabited bits of rock. The Taiwanese also know that even if they were to fight the Japanese over the rocks, they would most likely be defeated, and the government would lose all credibility.

As far as Japan is concerned, even if the broad populace do not agree with their right-wing fringe that Japan should be entitled to keep the territories it was able to capture in past wars, they still on the whole believe the Senkakus to have been discovered and first occupied by Japanese, islands which were then seized by the Americans and should later be rightfully returned to them.¹⁴⁸ Japan already controls the sea around these islands, and it knows that because of its economic links with mainland China and Taiwan – Japan has been either their first or the second biggest trading partner or source of private and government investment since 1970, and Japan's trade with China and Taiwan reached US\$90 billion and US\$ 35 billion respectively in 2002¹⁴⁹ – these countries are not likely to mount an all-out invasion of these islands. Japan's security arrangement with the US both protects and constrains its strategic posture. However, this does not mean that Japan is sanguine about the rise of Chinese nationalism and the prospect of China as a formidable military power in the region. Japan's multi-billion dollar investment interests in China, not least the long-term project to connect the rich oil-and-gas fields of Central Asia to Japanese end-users through China,¹⁵⁰ means that China is not without leverage on Japanese foreign policy, at least with respect to bilateral relations. At any rate, seventy-two LDP and Shinseito politicians and leaders were concerned enough to pen a policy statement in January 1995 urging their government to “admonish China for its chauvinism” in the Senkaku and Spratly islands and advocating the use of ODA and other policy tools to influence errant Chinese behavior.¹⁵¹

The positions on sovereignty adopted by all the people and state governments involved can only be described as “uniformly” uncompromising. As such, even if they were indeed common grounds or win-sets on areas of joint development, it would be exceedingly difficult for negotiators engaged in preliminary and exploratory talks to bring the subject into the open, let alone implement any such projects, given that the sovereignty issue is still unsettled. These “uniform” sovereignty positions and weak “synergistic” links between the countries make it impossible for negotiators on one side to appeal to any possible breach in public opinion on the other side(s). Such a breach, no matter how small, is often necessary to achieve some openings for meaningful bargaining to take place.

“De-linking” the economic issues from the sovereignty issue, a suggestion first made by Deng Xiaoping in 1978, would also be difficult in the absence of clear

non-governmental groups or public opinion in Hong Kong, Taiwan and overseas Chinese communities in North America, and to a lesser extent, because of political restrictions imposed on demonstrations, the Chinese of the PRC. This created a kind of competitive bidding or desire to manifest one's patriotic credentials *vis-à-vis* Beijing and one's Chinese compatriots elsewhere, which accounted for their spirited marches and feisty rallies.

The rise of nationalism or irredentism on the Chinese mainland to fill the ideological vacuum left by the irrelevance of Communism reflects to some extent China's economic might, but it is to a large degree encouraged by the present collective Chinese leadership. Nationalism is a popular force to be reckoned with, one which the leadership may find much profitable to inculcate but difficult to control. Diaoyudao may be seen as an attempt to balance strong anti-Japanese rhetoric with decisive moves to head off its expression by organized civic groups. So saying, one has to agree with those who argue that, as a past victim of foreign imperialism and an insecure modernizing state, Chinese nationalism today is more feactive than assertive, and then only as a temporal response to setbacks in foreign relations and perceived slights to national dignity.¹⁴⁵ These events include the fiftieth anniversary of the defeat of Japan in World War II, the loss of the year 2000 Olympic Games bid due to an unfavorable resolution passed by the United States Congress, the frustrating eighteen-year wait since 1984 to enter the World Trade Organization, and Western harping on China's treatment of political dissidents, human rights and Tibet. Although China was admitted to the WTO in 2002 and awarded the Olympic Games for 2008, perceived slights to national dignity may again be felt by the Chinese, if for example the United States or Japan were to punish North Korea for developing nuclear weapons without first consulting the Chinese government, accuse China of engaging in the proliferation of missile technology, or blame China for flaunting WTO rules by not liberalizing foreign trade and investment quickly enough.

As such, there is always an irrational and unpredictable element present in nationalistic feelings anywhere, especially with regard to China's attitude toward the Japanese. Indeed, when the fifteen Chinese and Hong Kong activists returned in June 2003 from the Diaoyu rocks in their fishing boats to a port in Zhejiang province, local officials were on hand to welcome them at the harbor, while the national anthem played in the background and journalists described them as “patriots”¹⁴⁶ The Chinese government may lose control of nationalist sentiments and feel that it has to respond to increasingly popular, frequent and strident anti-Japanese expressions and actions over the Diaoyu rocks. It may also wish to inculcate and galvanize nationalistic feelings or exploit xenophobic tensions as a diversion from wealth inequalities, economic dislocations, ethnic conflicts, or other problems. Under those circumstances, the Diaoyu situation could get explosive. The possibility should also be recognized that, as China's ability to project air and sea power in the China Seas increases, it may be prepared to adopt a posture of assertive nationalism to meet perceived challenges to its interests and identity; worse, if a specific enemy should become

but China Treat + security dilemmas

boundary demarcations. Petroleum companies are generally reticent to start drilling only to discover later that they have sited their oil-rigs on the wrong side of the maritime border. It is not without significance that the only "semi-official" talks that have taken place with regard to cooperation over the East China Sea were fishery talks. These talks principally involve matters like the engine size of trawlers, the tonnage of catch, and the number of fishing vessels permitted within one another's territorial waters or EEZ. They probably succeeded to the moderate extent that they did because there was a history of prior agreements between Japan with China and Taiwan dating back to the 1950s,¹⁵² reciprocal advantages to the fishermen of all three countries were realized, and a real possibility has existed of retaliation against any of the three countries trying to stop foreign fishing by the other two. Retaliation would entail losses to the fishing industry of all sides, yet with very little possibility of going to war. Unfortunately, with the present territorial dispute, there has been no history of agreement, reciprocal benefits cannot be derived because sovereignty is indivisible, and the option of limited retaliation against an adversary may not be available once hostilities begin. With historical grievances and indivisible sovereignty, it seems that the limits of diplomacy have truly been reached, at least with this dispute.

I did not find evidence that the nationalist groups in each country had actually contemplated targeting or provoking their counterparts in the other countries in order to produce "negative reverberations" which would force their own governments to adopt a more confrontational stand. Perhaps the nationalist groups from the three countries concerned here were more than content to provoke some symbolic action on the part of their own governments in making a stand on sovereignty. However, there is some evidence to suggest that the Japanese right-wing groups did work in tandem with their own government over this particular sovereignty issue - their private forays onto the islands offered the government the chance to follow up on their claims of sovereignty; but if such attempts were to be vehemently or successfully opposed by other governments or their nationalist civic organizations, then there is always the opportunity for the Japanese government to deny foreknowledge and involvement with its right-wing fringe. Right-wing groups from Japan whose activities on the islands were clearly protected by patrol crafts from the MSA were later depicted by their own government as individuals visiting privately owned land whose owners could not be traced but were assumed to have given their permission. Proof of state-society coordination is less clear with the Taiwanese, although there was some indication that the 1990 touch relay by Taiwanese athletes was encouraged by Kaohsiung mayor Wu Dun-yi; and such proof is altogether absent in the case of the Chinese. My research did yield indisputable evidence that all three governments were engaging in tacit communication and behavioral convergence with one another, to signal the fact that they were trying their utmost to play down, if not suppress, the entire controversy by doing nothing to encourage and everything to restrain their domestic nationalist forces; and that they expected this goodwill to be reciprocated by the opposing governments.

- aggressive
+ cooperative

Bargaining theory's standard prediction is that a more democratic form of government would make it more difficult for negotiators to get their negotiated agreements ratified by organized political forces, the absence of which is exactly why it would be easier for a non-democratic government to do so. I can find no evidence of this in my research, probably because the "uniformity" of opinion on this dispute already precluded the sovereignty issue from being settled at the negotiating table. However, it stands to reason that, at least with respect to Level I negotiations, the preferences of the chief negotiators are more likely to persist in a political system where power is more concentrated and the pressure of minority views poses less threat than in more "competitive" electoral systems, where chief negotiators must be more attentive to the development of popular opinion. It can be argued that, because it is much easier for politicized interest groups to organize and propagate their agenda in a representative democracy, where freedom of opinion is protected, it would be much easier for nationalists in these countries to act as a political pressure group, both within and outside the government and the ruling party, to create and galvanize public opinion conducive to realizing their territorial ambitions. For a situation like the Diaoyu/Tiaoyutai/Senkaku dispute, that certainly seems to be the case with the right-wingers in Japan and the student organizations, fishermen's lobby and the major political forces in Taiwan after the political liberalization of the late 1980s and early 1990s. This is obvious when contrasted with the scant activities and small-scale demonstrations permitted by the Taiwanese authorities in the early 1970s, the extent of which is not even allowed in China today.

Aside from the argument as to whether it is harder to resolve an all-or-nothing territorial sovereignty dispute with a democratic country than with a non-democratic country, perhaps it is more pertinent to find out if democratic governments may actually make it much easier than do non-democratic governments for latent boundary, territorial, or other disagreements between states to surface into very real conflicts, because political forces have to respond effectively to public opinion, which has the potential to be created, manipulated and galvanized by well organized and well funded groups with their own agenda. It is not hard to contrast the ease with which the Chinese government bundled Tong Zhen and his comrades out of Beijing, with the troubles that both Taiwanese and Japanese authorities had to take to restrain the actions of their own protesters, to assess the relative ease or difficulty with which authoritarian and democratic polities keep their nationalistic elements under control.

There is no question that domestic nationalist forces attach greater priority and preference to resolving the sovereignty aspects of the dispute and the attendant fishing rights than to the security concerns of the state or inter-state talks on joint development of sea-bed resources. However, can they be so ignorant or careless about the risks involved in pushing their own governments to confront the other claimant states? Analyzing the evidence presented, I arrived at the paradoxical conclusion that social forces within these countries were able to press their governments for confrontation, exactly because they knew that, while their governments could not concede sovereignty over these islands, their heads of

state had to adopt more realistic and conciliatory positions. They could not risk breaking valuable economic ties or jeopardizing regional security over what were essentially small matters of more emotional than material value. As such, the high cost of confrontation means that the threat of deploying armed force by any state would sound incredibly hollow. However, these pressure groups, by whatever names they go under, also strongly believed they were doing their countrymen and governments a favor by asserting national sovereignty, by sailing into this stretch of sea and landing boats, planting flags, erecting lighthouses and lighting beacons on these disputed rocks, no matter how symbolic and ultimately futile their actions were to be. Even if they did want to goad their governments into risking all by taking a confrontational stand against the other claimants, but failed to do so, they would have already managed to highlight the higher priority they gave to asserting national dignity and state sovereignty over considerations of economic ties or regional security. At a minimum, their calculated but quixotic actions would have succeeded in keeping alive the issue by periodically forcing it back into the public view, which was what they were primarily concerned about and had set out to achieve. If and when an issue concerning the exercise of sovereignty next appears — be it over offshore petroleum development, fishing rights, overseas peace-keeping or the EEZ, we can expect these groups to return to their charts. As such, we have not quite yet seen the end of the Diaoyu/Tiaoyutai/Senkaku controversy.

4 The Zhenbao/Chenpao/ Damansky Islands dispute

Introduction

In May 1991, after four years of intensive but secret negotiations, a boundary agreement was signed between official representatives from China and the Soviet Union. Ratified by the national legislatures of both China and Russia, the primary successor state to the Soviet Union, in February 1992, this boundary agreement would demarcate the 3,700 kilometers of border separating both states which runs along the *Ithalweg*, or middle of the main channels, of the Amur/Heilongjiang and the Ussuri/Wusuli.¹ The border agreement also transferred to China some 600 tiny islets and rocks, uninhabited except for itinerant fisherman, which fall on the Chinese side of the mid-channel of the two rivers. These include the island of Damansky/Zhenbao, the site of two short but bloody clashes between Chinese and Soviet soldiers in 1969.

Following the collapse of more than a decade of friendship between the ruling Chinese Communist Party and the Communist Party of the Soviet Union, Chinese leader Mao Zedong presented the Soviet leadership with a territorial claim on one million square kilometers of the Russian Far East, which, he said, was fraudulently acquired by the czarist Russian predecessor of the Soviet Union in two "unequal" treaties imposed on imperial China. Since then, there had been two series of boundary talks between the two states, a short one in 1964, and a long drawn-out affair that lasted from 1969 to 1978. Both failed to achieve any results, because the Soviet side preferred to interpret the treaties as demarcating the boundary along the Chinese bank of the rivers, instead of the *Ithalweg*, which was the Chinese position. And so it was to remain, until Soviet leader Mikhail Gorbachev's 1986 speech in Vladivostok, in which he proposed that the border should run along the main navigation channel, and suggested a fresh round of boundary negotiations. His offer was taken up by the Chinese, and two rounds of preliminary talks at the level of vice-minister the following year established the principle of deciding the border on the basis of existing treaties and the mid-channel division. A working group of diplomatic and military experts from both sides was established in 1988 to demarcate the border, and the border was re-opened. Except for a small island adjacent to the Russian city of Khabarovsk, the sovereignty over which has been shelved because of its sensitive