By challenging Japan’s control of the Senkaku Islands, China is testing the resolve of Tokyo and the strategic position of Washington. In other words, China is testing the credibility of the U.S.-Japan alliance. Casual observers tend to overlook or underestimate the confrontation that ensued between Tokyo and Beijing after the Japanese government formally purchased three Senkaku islets in September 2012. Contrary to popular opinion, the dispute is not merely about the ownership of these small islands in the East China Sea, nor is it being primarily driven by territorial or resource nationalism. Rather, Beijing is challenging Tokyo over the Senkakus in order to weaken the liberal international order that was established after World War II and anchored in the U.S.-Japan alliance. Moreover, behind Chinese assertiveness in the East and South China Seas lies China’s rapidly improving anti-access/area-denial (A2/AD) strategy. The future of the Asia-Pacific rests on the outcome of the strategic competition now underway between the U.S. and Japan on the one side and China on the other. This paper discusses the implications of the confrontation over the Senkakus for the U.S.-Japan alliance.

A Brief History

The history of the Senkaku Islands involves Japan, China, and the United States. According to China’s white paper on what it refers to as “Diaoyu Dao,” Beijing asserts that its claim to the Senkakus is based on historical occupation, geography, and international law. China claims that the Ming Dynasty (1368-1644) first found and named the islands, and that the Qing Dynasty (1644-1911) placed them under the jurisdiction of Taiwan. China criticizes Japan for “stealing” the islands after the Sino-Japanese War of 1894-1895 on the grounds that the Senkakus were part of Taiwan, which was annexed by Japan in the Treaty of Shimonoseki. China insists that the Allied declarations during World War II at Cairo and Potsdam made clear an intention to return the islands to China along with its other territories taken by Japanese aggression. China also criticizes Japan and the U.S. for “illegally” transferring the islands’ administration in the San Francisco Peace Treaty of 1951 and the Okinawa Reversion Treaty of 1971.

However, there is no evidence that any Chinese imperial dynasty or government ever established a permanent settlement or station on the islands at any point in history. There are also several
documents and maps in which China recognized the Senkaku Islands as Japanese territory. For example, Beijing enacted a law on its territorial seas in 1958 in which it claimed 12 nautical miles of territorial seas from the Chinese coast. This law included the island of Taiwan, the Paracels, and the Spratlys, but it did not make any claim to the Senkakus. In fact, China did not raise any objections to the Japanese and American administration of the islands until 1971, after a UN survey hinted at the existence of abundant seabed oil around the islands. As such, China’s claim, which is based on questionable historical documents and maps, lacks both consistency and legal foundation.

In contrast, Japan’s claim to the Senkaku Islands is based on international law. In 1885, the Meiji government sent an expedition to the islands to confirm that they were not ruled by any state. Japan formally integrated the islands into its territory in 1895 based on the legal principle of terra nullius (no-man’s land), and subsequently allowed a Japanese entrepreneur to use the Senkakus as a production base for “katsuobushi” or bonito flakes. Four of the five islets were sold off to the entrepreneur in 1932. Hundreds of Japanese citizens lived on the islands until the 1940s, after which time they became uninhabited following the war. In accordance with Article III of the 1951 San Francisco Peace Treaty, the Senkakus and Okinawa were placed under U.S. administration as part of the Ryukyu Island Chain. The United States returned the administration of Okinawa, including the Senkakus, to Japan in 1972. In summary, Japan established effective control over the islands at the end of the 19th century, and international treaties acknowledged both Japan’s administration of the islands and that the Senkakus are part of Okinawa, not Taiwan.

The U.S. position on the Senkaku Islands is consistent. The U.S. administration of Okinawa started in 1953 in accordance with Article III of the San Francisco Peace Treaty, whereby Japan and the U.S. reached an understanding that Washington would administer all the Ryukyu Islands south of 29 degrees north latitude, including the Senkakus. During this period, the U.S. also designated two of the five Senkaku islets as U.S. military facilities, a status that remains in effect to this day. More importantly, the U.S. acknowledged Japan’s “residual sovereignty” over all of Okinawa’s islands during the period that Washington administered the islands. During the negotiations on reverting Okinawa to Japanese administration, Washington defined its position as neutral on the overlapping sovereignty claims over the Senkakus. However, Washington did make its position clear that the U.S. obligation to defend Japan under the U.S.-Japan Security Treaty was applicable to Okinawa, including the Senkakus, because the Treaty obligates the U.S. to defend Japan in the case of an armed attack on any of the
territories under the “administration,” rather than the sovereignty, of Japan. While it calls on claimant states to peacefully resolve their conflicting claims, history clearly shows that the U.S. is itself a concerned party as a former administrator of the islands.

China’s Nationalization and Japan’s “Re-nationalization”

China claims that in the process of the negotiations leading up to the normalization of Japan-China relations in 1972, and during the conclusion of the Treaty of Peace and Friendship in 1978, Tokyo and Beijing reached an understanding on shelving the issue of the Senkaku Islands, and leaving it to be solved by the “next generation.” To the contrary, Japan does not acknowledge that a territorial dispute exists, as legally defined, over the Senkakus because China’s claim lacks consistency and legal foundation. Therefore, Japan does not recognize any claimed understanding on shelving the issue or maintaining the status quo, although, in practice, Tokyo has historically restrained itself in its management of the Senkakus to avoid provoking Beijing.

Despite its official stance on shelving the issue, China has long challenged the status quo by unilaterally seeking to nationalize the Senkakus. In 1992, China’s National People’s Congress passed the “Law on the Territorial Sea and Contiguous Zone,” which claimed the Senkakus, the Paracels, and the Spratlys as Chinese territory, claiming that this was in line with its 1958 law (which actually did not refer to the Senkakus). In 1996, frustrated both by the designation of exclusive economic zones in the East China Sea under the 1982 UN Convention on the Law of the Sea (UN CLOS) and the construction of a light house on a Senkaku islet by Japanese right wing activists, Chinese activists started sending ships to the territorial seas around the Senkakus. In 2004, the Japanese government arrested and quickly deported Chinese activists who landed on a Senkaku islet to avoid a diplomatic crisis with China. China finalized its nationalization of the Senkakus with the enactment of the “2010 Islands Protection Law,” which provided for the Chinese state ownership of uninhabited islands.

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Having nationalized the islands, Beijing then began a campaign to take away effective control from Japan. Numerous Chinese fishing boats suddenly appeared around the Senkakus in August 2010, and an illegal Chinese trawler collided into Japanese patrol ships in September 2010. Japan reacted by arresting and prosecuting the skipper of the Chinese trawler. This sparked a series of retaliatory measures from China, including a ban on rare earth metal exports. Ultimately, Tokyo deported the skipper back to China and the tension was temporarily reduced. However, Chinese paramilitary ships then started frequent “patrols” of the waters around the Senkakus following the incident to show China’s jurisdiction over the islands. In December 2011, Tokyo’s plan to name uninhabited islands without names in all of Japan’s territorial waters was reported in the media. China’s communist party mouth-piece, the People’s Daily, responded by referring to the Senkakus as a “core interest” of China in January 2012. Subsequently, a Chinese State Oceanic Administration (SOA) official stated in
March 2012 that SOA would defeat Japan’s effective control over the islands.

During the run-up to these events, Washington and Tokyo each respectively sent the wrong message to Beijing. In the November 2011 U.S.-China Joint Statement, President Barrack Obama and President Hu Jintao agreed that “respecting each other’s core interests is extremely important to ensure steady progress in U.S.-China relations.” It is likely that this statement emboldened Beijing to take assertive actions in the South and East China Seas, defining them as part of its “core interests.” Likewise, Prime Minister Yukio Hatoyama had earlier called for an “equal alliance” and an “East Asian Community” which excluded the U.S. Hatoyama’s naive foreign policy damaged the credibility of the U.S.-Japan alliance, and likely encouraged Chinese assertiveness. This is one reason former U.S. Secretary of State Hillary Clinton felt compelled to reaffirm the American interest in the freedom of navigation in the South China Sea, and the U.S. treaty obligation to Japan in regards to the Senkakus.

Against this background, then Tokyo Governor Shintaro Ishihara announced his plan to purchase three Senkaku islets from their private owner during a trip to Washington in April 2012. Known as a nationalist, Ishihara intended to demonstrate Japan’s control over the Senkakus by constructing facilities on the islands. He then raised nearly 1.5 billion yen in private donations for the purchase. In Ishihara’s view, China was clearly challenging the territorial status quo, and Tokyo and Washington were not responding to the challenge. Ishihara was driven by his unhappiness with China’s assertive behavior, Japan’s lack of resolve, and America’s neutrality on the issue.

Prime Minister Yoshihiko Noda announced in September 2012 that Japan would purchase or “re-nationalize” the three islets formerly owned by the government. Prior to this, Noda sent his special envoy to Beijing to explain that the purchase aimed at the peaceful and stable maintenance and management of the islands. Prime Minister Noda also met President Hu in Vladivostok just before the purchase to explain his intentions, but Hu did not accept Noda’s move toward nationalization. The purchase caused Beijing to feel that it had lost face, and so it mobilized large-scale anti-Japanese riots in several major Chinese cities. Beijing also claimed baselines around the Senkakus and prepared a unilateral submission to the UN of an extended continental shelf beneath the East China Sea all the way to the Okinawa Trough. In addition, Beijing increased the frequency of its maritime enforcement ship patrols around the islands, making them daily occurrences, while escalating the situation by intentionally violating Japanese territorial seas, challenging Japanese jurisdiction, and raising the chances of unintentional accidents and follow-on escalation.

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Beijing’s short-term goal is to force Tokyo to acknowledge the existence of a territorial dispute over the islands as a means to help Chinese leaders save face. To achieve this goal, China is unilaterally condemning the Japanese nationalization of the three Senkaku islets as a violation of the tacit agreement to shelve the issue. Beijing conducts its patrols around the
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Islands not only to demonstrate its jurisdiction but also to create a dispute *fait accompli*. Recently, Beijing increased its pressure on Tokyo by violating Japanese airspace and locking fire-control radars on a Japanese ship and a Japanese aircraft—clear escalations and provocations. But a dispute as legally defined cannot be created by force. For a dispute to exist, all the claimants have to have legal ground. Since China’s claims have no legal foundation, Tokyo will never admit that a dispute exists. The onus is on China to explain why it kept silent about the Senkakus for the 76 years between 1895 and 1971.

Beijing seeks to decouple Tokyo and Washington as a means of avoiding U.S. intervention in any potential armed conflict involving China and Japan. Beijing is criticizing Japanese “right wing” politicians for provoking China by nationalizing the islands, and engaging in an international campaign to condemn Japan for “stealing the islands” in an attempt to create the false image that Japan is challenging the outcome of World War II. In fact, even long-time Japan watchers regarded Noda’s decision to nationalize the islands as “destabilizing.”

But Beijing has failed in its efforts to drive a wedge between Tokyo and Washington. The U.S. now opposes “any unilateral actions that would seek to undermine Japanese administration.” The U.S. Congress also passed the Defense Authorization Act of 2013, which expressed opposition to any claimant’s efforts to coerce or use force to change the status quo in the East China Sea.

China is challenging the postwar rule-based international order by making false accusations, and seeking to alter the territorial status quo by force. Last year in the South China Sea, Beijing successfully seized control of the Scarborough Shoal from the Philippines by sending paramilitary ships to the reef. This is the first takeover of an island by China since 1995, when China took Mischief Reef by force from the Philippines. Given Beijing’s assertiveness, Tokyo’s “re-nationalization” of the Senkakus might not be an ideal policy, but it is better than any other available option for maintaining control of the islands in a restrained fashion. Ishihara would have further worsened the situation by seriously provoking Beijing if he had purchased the islands. On the other hand, if Tokyo would have accepted Beijing’s accusations and agreed to negotiate, it would have set a bad precedent and embolden Beijing to take further assertive actions in other parts of the region.

**China’s A2/AD and the Senkakus**

China’s assertive behavior and its robust A2/AD capabilities in the Asian littoral are changing the military balance in the Asia-Pacific. Primary A2/AD weaponry includes a large submarine fleet, and land-based aircraft carrying anti-ship cruise missiles. Anti-ship ballistic missiles for targeting
moving ships will likely be added in the near future. A2/AD relies on long-range ocean surveillance to detect and locate approaching enemy forces. A2/AD is an American term, and Chinese strategic thinkers refer to it as “counter intervention.” From Beijing’s perspective, China’s “century of humiliation” started in the mid-19th century when western powers exploited China’s vulnerable maritime approaches. Therefore, Chinese strategic thinkers view a strong coastal defense as imperative for denying any potential seaborne invasion force a chance to repeat history. For them, China’s greatest strategic weakness is its long vulnerable coastline.

This is why Beijing makes excessive maritime claims over almost all the waters in its “Near Seas,” which refers to the East and South China Seas and the Yellow Sea. This is also why Beijing has invested so heavily in coastal surveillance. China claims jurisdiction over the entire East China Sea on the grounds that the continental shelf extends from the Chinese coast to the Okinawa Trough. In contrast, Japan insists on demarcations based on the median line between the Chinese and Japanese coasts. In the South China Sea, where crucial international shipping lanes reside and through which more than a third of global trade is carried, China claims jurisdiction over the territory within a vague “nine-dotted line”—a U-shaped demarcation that covers 80% of the world’s busiest waters—without any legal basis, and denies the territorial claims of Vietnam, the Philippines, Malaysia, and Brunei.

Beijing’s excessive maritime claims also reflect a sea denial strategy to block foreign surveillance activities off its coastline. China’s domestic law guarantees freedom of navigation in its exclusive economic zone (EEZ), but denies freedom of navigation in China’s “historic waters.” China’s EEZ claims are based on the historical “occupation” of the waters in the Yellow Sea, the East China Sea, and the South China Sea. China does not accept, for example, surveillance activities by foreign military vessels in its EEZ and fails to recognize the airspace above its EEZ as international airspace. This position manifested itself in the Hainan EP-3 incident in 2001 (when a Chinese fighter jet collided with a U.S. intelligence aircraft above China’s EEZ and forced it to land) and the USNS Impeccable incident in 2009 (when a U.S. military vessel was harassed by Chinese naval and maritime surveillance ships and aircraft in the South China Sea).

Given Beijing’s assertiveness, Tokyo’s “renationalization” of the Senkakus might not be an ideal policy, but it is better than any other available option for maintaining control of the islands in a restrained fashion.

Beijing has found that its paramilitary maritime law enforcement agencies (sometime referred to as the “five dragons” or more recently the “nine dragons”) are an effective tool for denying foreign countries’ legitimate claims. The most active of these actors includes the China Fisheries Law Enforcement Command (FLEC) under the Ministry of Agriculture and China Marine Surveillance (CMS) under the SOA. Surveillance ships belonging to FLEC and CMS have been involved in numerous cases along the Asian littoral, including the Impeccable incident, the standoff over the Scarborough Shoal, and the recent confrontations over the Senkakus. Because they are not warships, the dispatch of these maritime enforcement ships may not constitute a direct threat or use of force. But because they are owned by the state, these ships enjoy sovereign immunity even in foreign territorial seas. Therefore these ships are
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In conclusion, the outcome of the current struggle over the Senkakus will have significant implications for the future of the Asia-Pacific. If the confrontation is resolved peacefully, the region will be more likely to have a bright future. If it is resolved through coercion, the region is more likely to be subjected to a future defined by Chinese hegemony. If it is resolved through war, the region will face a decidedly dark future. The most likely alternative futures of the Asia-Pacific could best be represented in three potential scenarios: a Pax-Sinica, a balance of power, and a rule-based order. In a Pax-Sinica scenario, the rise of China in absolute terms may lead to Chinese hegemony in Asia. This would be defined by the decoupling of regional states and the U.S., as Washington’s former friends and allies find themselves increasingly “Finlandized,” or unable to disagree with the Middle Kingdom. In a balance of power scenario, a rising China may lead to an alignment between Japan, the U.S., India, Australia, Russia, and numerous other smaller states against the rising power. In the rule-based order scenario, Japan, the U.S., and other regional states would welcome and help integrate China into a rule-based international order as Beijing becomes a more peaceful and responsible member of the regional community.

For Japan and the U.S., the third option is the most desirable one as it would allow for regional nations to enjoy freedom, prosperity, and independence. This liberal approach requires that all members accept a set of rules—international laws and regimes. Former Secretary of State Hillary Clinton wrote, “We must create a rules-based order—one that is open, free, transparent and fair.” Likewise, Prime Minister Shinzo Abe stated...
that the seas, “which are the most vital commons to us all, are governed by laws and rules, not by might.” 21 Tokyo and Washington clearly share a common vision for the future of the Asia-Pacific. As such, the two governments should address China’s challenge to Japan’s control over the Senkakus as they seek to create a brighter future for the region.

Policy Recommendations for the U.S.-Japan Alliance

1. Acknowledge Japanese sovereignty over the Senkakus. The United States is a concerned party due to its historic involvement in the Senkakus. Despite the fact that the U.S. administered the islands for 20 years and acknowledged Japan’s “residual sovereignty” over them, Washington maintains an ambiguous stance on the sovereignty issue. By not taking sides, Washington is missing an opportunity to provide strategic stability in the East China Sea. Washington should acknowledge Japan’s sovereignty over the Senkakus to discourage Beijing’s assertiveness. In return, Tokyo should continue to refrain from taking unnecessary provocations.

2. Encourage China to accept arbitration. Some experts assert that Japan should acknowledge that a dispute exists and file a suit with the International Court of Justice (ICJ). 22 Yet it makes little sense for Japan to bring the case to international court, as China’s accusations have no legal merit. However, should China wish to accept the compulsory jurisdiction of the ICJ and pursue this matter at the Court, Tokyo would accept the challenge in accordance with the statutes of the ICJ, as Japan has already accepted the Court’s compulsory jurisdiction. Therefore, Tokyo and Washington should encourage Beijing to accept international arbitration as a peaceful means of resolving the dispute.

3. Promote the Code for Unalerted Encounters at Sea (CUES). With the ships and aircraft of Japan, the United States, and China all increasing their presence in the East China Sea, the chances that an accident will occur are rising. Tokyo and Washington have been seeking a reliable crisis communications and management mechanism with Beijing, but so far in vain. The Western Pacific Naval Symposium (WPNS) developed the Code for Unalerted Encounters at Sea (CUES), which provides safety measures and procedures, and the means to facilitate communications when ships and aircraft make contact. Japan, the United States, and China are all members of WPNS. Tokyo and Washington should work harder to persuade Beijing to accept risk reduction mechanisms based on CUES.
Notes


2 Note that Taiwan (the Republic of China) also made a claim over the Senkaku Islands in 1971 and continues to claim sovereignty over the islands.


5 Note that in the relevant excerpts of the Agreed Minutes for the Okinawa Reversion Agreement, Article I states: The territories defined in paragraph 2 of Article I are the territories under the administration of the United States of America under Article 3 of the Treaty of Peace with Japan, and are, as designated under Civil Administration Proclamation Number 27 of December 25, 1953, all of those islands, islets, atolls and rocks situated in an area bounded by the straight lines connecting the following coordinates in the listed order:

North Latitude, East Longitude
28 degrees, 124 degrees 40 minutes
24 degrees, 122 degrees
24 degrees, 133 degrees
27 degrees, 128 degrees 18 minutes
24 degrees, 128 degrees 40 minutes
24 degrees, 131 degrees 50 minutes
27 degrees, 128 degrees 18 minutes
28 degrees, 128 degrees 18 minutes
28 degrees, 124 degrees 40 minutes


19 The author owes this view to James Kraska, the Howard S. Leive Chair in International Law at the U.S. Naval War College.