

THE SENKAKU ISLANDS DISPUTE

IS PEACE AS A FINAL
DISPUTE RESOLUTION
THE BEST OUTCOME
OR DOES JAPAN
BENEFIT MORE FROM
AN ENDURING
TERRITORIAL
DISPUTE?

Master's Thesis in

Peace, Mediation and Conflict Research

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Abstract

Objective: To analyse possible benefits of the enduring territorial dispute of the Senkaku Islands from Japan's perspective and compare whether a peaceful, final dispute resolution would in fact be less beneficial for Japan than an active unresolved dispute.

Method: Analysis of peace theory scenarios by Johan Galtung (1967), game theory as a tool for conflict and cooperation analysis (Straffin, 1993), theories of bargaining leverage, domestic politics and nationalistic agendas and relations to other disputes from the perspective of an enduring territorial dispute (Wiegand, 2011).

Results: The enduring territorial dispute of the Senkaku Islands has granted Japan four major areas of benefits: a tool for gaining domestic popularity in politics and further nationalistic agendas; bargaining leverage in diplomatic and economic relations; a stronger security alliance with the United States to balance the overall security situation in East Asia; and a comparison point for other territorial disputes in the East Asian region.

Conclusion: Although Japan can be said to gain benefits from an enduring territorial dispute such as the Senkaku Islands dispute, the benefits are not great enough to diminish the idea of a final dispute resolution. Although Japan is currently benefiting more from an active dispute than from pushing for a final peaceful resolution, the benefits do not negate a possibility for a dispute resolution.

Keywords: Peace theory, Enduring Territorial Disputes, Game Theory, Japan, Senkaku Islands

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ABBREVIATIONS

| | |
|---------|---|
| ADIZ | Air Defence Identification Zone |
| ASEAN | Association of Southeast Asian Nations |
| CCOP | Committee for Coordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas |
| CPC | Communist Party of China |
| EEZ | Exclusive Economic Zone |
| GCB | Gulf Cooperation Bill |
| JMSA | Japanese Maritime Safety Agency |
| NSS | National Security Strategy |
| ODA | Official Development Assistance |
| PCA | Permanent Court of Arbitration |
| PFT | Treaty of Peace and Friendship |
| PLA | People's Liberation Army |
| PLAN | People's Liberation Army Navy |
| QDR | Quadrennial Defence Review |
| SDF | Self-Defence Forces |
| SIPRI | Stockholm International Peace Research Institute |
| UNCLOS | United Nations Convention on the Law of the Sea |
| UNECAFE | United Nations Economic Commission for Asia and the Far East |
| UODC | United Oceanic Development Company |

In this research, I use the name China when referring to the People's Republic of China and Taiwan when referring to the Republic of China. I will use the Japanese name Senkaku Islands when referring to the disputed islands and not Diaoyu Islands as they are named by China. I will use the Japanese names of other disputed territories as well.

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1. INTRODUCTION

The Senkaku Islands have been disputed for decades. The islands are officially Japanese territory; however, both China and Taiwan have made claims on the islands. In this research, I will solely focus on the conflict between China and Japan. The two countries have tiptoed around the subject in fear of dispute escalation, deterioration of mutual relationships and international backlash. Japan has never officially admitted that the Senkaku Islands issue is a dispute, but it is clear that this subject is a thorn in the side of both parties. The two states have a volatile past with unresolved issues dating back to the Second World War and beyond. Japan has tarnished its relationship with several neighbouring countries, and this is often seen as a reason why territorial disputes in the area remain unresolved. Previous disputes and unresolved issues can be said to have blown the Senkaku Islands dispute out of proportion since the significance of the islands is undetermined.

The United Nations' Economic Commission for Asia and the Far East (UNECAFE) conducted a research that concluded that there might be vast oil reserves under the islands. However, due to the territorial dispute, this has never been fully investigated. The possible economic gain of the area raised the stakes of the outcome. Throughout the years, both parties have been reluctant to discuss the issue and make an agreement about the ownership of the Senkaku Islands. There have been numerous clashes, some more violent than others, that have made the Senkaku Islands one of the most volatile disputes in East Asia. When two main powers of the region are locked in a disagreement with each other, any escalation may have drastic repercussions for the overall security of East Asia.

Although China and Japan have had a relatively complicated past, they also have a very close relationship regarding trade. They have also engaged in numerous successful diplomatic negotiations considering different aspects of their relationship. Due to their lucrative mutual trade, both countries would have much to lose in case of a full-blown conflict. The international response is also something both disputing parties take into consideration. Due to Japan's questionable measures of dealing with its wartime past with other Asian countries, any aggressive action would be heavily scrutinized and create a major backlash. China, in turn, has questionable relations and unexplained

aggressive behaviour for instance in Hong Kong, Taiwan and Tibet. These offensive measures in China's case have raised the bar for any acceptance or tolerance of future conflicts of territory in the eyes of the international community.

Both countries are heavily dependent on the international community, and therefore any acts of aggression or conflict escalation would affect them negatively. Perception of these countries is also a complicated issue because the national opinion on possible conflict escalation of the Senkaku Islands is often the opposite of the international community's opinion. This issue is linked to national pride often with less consideration of other consequences. There have been demonstrations, sometimes violent, to show the citizens' opinion on the matter. This has led to politicians taking advantage of the passion of the people to drive their own agenda. This in turn has often damaged the relationship between China and Japan, since any negative official opinions in public are criticised extensively by the target country.

All in all, the Senkaku Islands dispute seems to be more concerned with public opinion and wartime past than the actual islands. Although possible oil reserves under the islands could be a lucrative addition to either country's economy, it is hard to see that economic gain would be the only driving force for the conflict. This dispute, albeit frozen, has been ongoing for decades without any proper attempts at solving it.

1.1 RESEARCH QUESTION

Is peace as a final dispute resolution the best outcome or does Japan benefit more from an enduring dispute?

The aim of this research is to analyse how Japan has possibly benefited from an ongoing dispute and whether peace as an end-game is in fact the best outcome. I will look in detail into the main areas where Japan has benefited from the dispute: domestic politics and nationalist agendas, using the dispute as bargaining leverage, keeping the United States firmly as an ally in the region, and the effect of the Senkaku Islands dispute on the outcome of other ongoing territorial disputes. Although one major issue in the Senkaku Islands dispute is to analyse whether Japan does in fact have the right to claim the islands,

I will merely present claims made by China and Japan’s rebuttals, and mainly focus on the dispute in the current status quo.

1.2 WHAT ARE THE SENKAKU ISLANDS?

The Senkaku Islands are situated in the East China Sea, east from China and west of Okinawa, Japan. Officially the Senkaku Islands is a group of five islands and three rocks. The Japanese refer to the islands as Senkaku Islands, whereas the Chinese refer to them as the Diaoyu Islands or the Diaoyu-tai Islands.

| Japanese Name | Chinese Name | Area (km²) |
|----------------------|---------------------|------------------------------|
| Uotsuri-shima | Diaoyu Dao | 3.81 |
| Taisho-to | Chiwei yu | 0.06 |
| Kuba-shima | Huangwei Yu | 0.91 |
| Kitakojima | Bei Xiaodao | 0.31 |
| Minamikojima | Nan Xiaodao | 0.40 |
| Okinokitaiwa | Da Bei Xiaodao | 0.03 |
| Okinominamiwa | Da Nan Xiaodao | 0.01 |
| Tobise | Fei Jiao Yan | 0.002 |
| | | Total 5.53 |

Table 1.1 Senkaku Islands and their respective areas

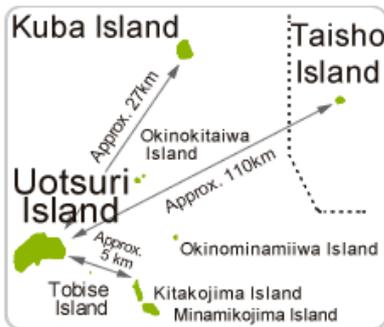
The Senkaku islands are located 230 kilometres west of Okinawa and 175 kilometres northeast of Taiwan (Swanström, 2005). They are part of the Nansei Shoto islands and currently belong to Ishigaki City, Okinawa Prefecture of Japan. The Senkaku Islands are located between longitude 123°30’ and 124°35’ E and latitude 25°45’ and 26°0’ N. The total land area of the Senkaku islands is merely 5,53 km² (Okuhara, 2015).



Location Map



Surrounding Area



Detailed Map

Table 1.2. Map of the Senkaku Islands. Map retrieved from the Ministry of Foreign Affairs of Japan.

2. HISTORY OF SINO-JAPANESE CONFLICTS

Japan has a very complicated past with China, riddled with conflicts and acts of aggressions. At the beginning of the Meiji Restoration in Japan when the whole state, including the military, was drastically and rapidly industrialized and Westernized, Japan's imperial policies drove the country to employ aggressive tactics on foreign territory. In 1879, the Ryukyu Islands (Okinawa) were officially annexed into Japan, bringing the Japanese territory much closer to China and its territorial waters (Mason, 1997). The first Sino-Japanese War was mainly about control over the Korean Peninsula, where most of the battles took place. The war lasted from 1894 to 1895, resulting in victory for Japan. This was the first victory for the newly industrialized and Westernized Imperial Army and prompted Japan to be recognized as a forceful power in the region. Japan drafted the Treaty of Shimonoseki to establish terms of surrender for China on April 17th, 1895 (See Appendix I). The main points of the treaty were China's recognition of full independence and autonomy of Korea, China's cede of the southern part of Fengtien province, the island of Formosa (Taiwan) and all islands belonging to Formosa, as well as the Pescadores Group. The island of Formosa was especially seen as a potentially significant gain for Japan's economy (Mason, 1997).

Japan's Imperial Army continued to occupy parts of Chinese territory and in 1910 Japan annexed the independent Korean Empire. At the beginning of the century leading up to the second Sino-Japanese War, Japan and China clashed several times in what was downplayed as "incidents", such as the Mukden Incident of 1931 that set the stage for Japan's invasion of Manchuria, and the Marco Polo Bridge incident of 1937 that also defined the beginning of the second Sino-Japanese War. During this war, China was granted aid from the Soviet Union, the United States and Germany against Japan. Still, the war was mainly between China and Japan until Japan launched the surprise attack on Pearl Harbor in 1941, merging the Sino-Japanese War into World War II where it became known as the Pacific War. The war was the result of decades of oppression and imperialistic ideologies by Japan to expand further into East Asia to secure raw materials and economic resources in the area. It was the largest war in Asia in the 20th Century, with the Sino-Japanese War itself responsible for over 90% of casualties during the entire

Pacific War. Estimates vary greatly, but Japan's invasion of China could have led to as many as 10-20 million Chinese lives lost (Andrews, 2015).

Even today the relations between China and Japan are often strained due to resentment from China's part, mostly due to how poorly Japan has handled its wartime past in China's opinion. Most notably, Japan has tried to glorify the Imperial Army's actions in textbook reforms, leaving out atrocities carried out by them; China also feels that Japan has not officially apologised enough or made enough of an attempt to make up for war crimes conducted in China, such as the Nanjing Massacre. Although the second Sino-Japanese War and the Second World War ended in 1945 with Japan's surrender, many smaller conflicts still stem from this time. This is also true for the Senkaku Islands dispute, which has emerged from the aftermath of the Second World War, from what is often referred to as the San Francisco System, named after the Treaty of San Francisco (See appendix IV).

2.1. HISTORY OF THE SENKAKU ISLANDS DISPUTE

"No one can be truly confident that these arguments, over bits of rock or expanses of ocean, will not lead to armed conflict – whether by design or by human error." (Andrews, 2015, p. 2)

Territorial disputes are intrastate cases where two or more governments disagree over locations of borders, either land or maritime borders. "Territorial disputes may take place when one government occupies the national territory of another and refuses to relinquish control or withdraw; when one government does not recognize the sovereignty of another over some portion of territory within the border of that government; or when a government does not recognize the independence and sovereignty of another government, and seeks to annex some or all of its territory" (Koo, 2010, p. 2). The Senkaku Islands dispute has been unresolved for decades.

2.1.1. 1879-1945

The Senkaku Islands have for a long time been under Japanese control, apart from a brief period after the war when the United States controlled the islands on Japan's behalf due to the terms of Japan's defeat. However, both China and Taiwan have claimed the islands. The beginning of the dispute can be dated back to 1879 when Japan incorporated the Ryukyu Kingdom (Okinawa) into Japan (Mason, 1997). The Senkaku islands were seen as the border between China and Japan, but at this point the islands were still unclaimed territory. In 1895 Japan officially claimed the islands as part of Okinawa, stating that they had conducted surveys since 1884 to show the islands were in fact *terra nullius*, no-man's land, with no evidence to show that they were under Chinese rule (Mason, 1997).

After Japan's victory in the first Sino-Japanese War, China was forced to sign the Treaty of Shimonoseki, according to which China had to give up the island of Formosa (Taiwan) and all islands belonging to Formosa, as well as the Pescadores Group, among other conditions. There was no mention of the Senkaku Islands in this treaty (See Appendix I).

The same pattern continued in following treaties and declarations as well: none of them specifically mention the Senkaku Islands by name. The Cairo Declaration (See Appendix II) was drafted on September 4th, 1943, by the President of the United States Theodore Roosevelt; the President of the National Government of the Republic of China Chiang Kai-shek; and the Prime Minister of Great Britain Winston Churchill. The purpose of the Cairo Declaration was to create a plan for the post-war order once the time came. In the Cairo Declaration, the following statement was made about Japan and its occupied territory:

“[...] Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and The Pescadores, shall be restored to the Republic of China. Japan will also be expelled from all other territories which she has taken by violence and greed. The aforesaid three great powers, mindful of the enslavement of the people of

Korea, are determined that in due course Korea shall become free and independent.” (The Cairo Declaration)

The Potsdam Declaration (See Appendix III) defined the terms of Japan’s surrender. It was written by the President of the United States Harry S. Truman; the President of the National Government of the Republic of China Chiang Kai-shek; and the Prime Minister of Great Britain Winston Churchill, on July 26th, 1945. Clause 8 of the Potsdam Declaration refers to the Cairo Declaration and reads as follows:

“The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.” (Potsdam Declaration, Appendix III)

The Potsdam Declaration is also mentioned in Japan’s Instrument of Surrender that stated Japan’s full acceptance of the Potsdam Declaration. The final treaty of defeat was the Treaty of San Francisco (See Appendix VI), signed between Japan and part of the Allied Powers in 1951.

In the Treaty of San Francisco, Formosa and Pescadores are once again mentioned, as well as the Japanese territory put under administration of the United States:

“Chapter II, Article 2

(b) Japan renounces all right, title and claim to Formosa and the Pescadores.

Chapter II, Article 3

Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the sole administering authority, Nansei Shoto south of 29 north latitude (including the Ryukyu Islands and the Daito Islands), Nanpo Shoto south of Sofu Gan (including the Bonin Islands, Rosario Island and the Volcano Islands) and Parece Vel and Marcus Island. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the

territory and inhabitants of these islands, including their territorial waters.”

(Treaty of San Francisco)

The Treaty of San Francisco is argued to be invalid on both China’s and Taiwan’s behalf, since neither of them were present when devising the treaty, due to the Chinese Civil War and the questionable legitimacy of their governments. The Treaty, therefore, created the issue of Taiwan’s legal status, since the Treaty did not in fact specify to whom Taiwan was to be returned. This led to the Taiwan independence movement claiming that the administration of Taiwan is still held by the Allied Forces, particularly the United States. Because China was not present when the Treaty was signed, the Chinese government did in fact denounce the treaty as being illegal, and that China did not recognize it as being official. The treaty was not specific enough about to whom Japan’s surrendered areas were to be returned, which has led to numerous island disputes in East Asia. Because China does not recognize the Treaty of San Francisco, their claim on the Senkaku Islands is based on the Cairo and Potsdam Declarations. The new economic order in East Asia because of the San Francisco Peace Treaty made Japan the United States’ key player in the area to fight communism. Although the San Francisco Peace Treaty was controversial and polarizing due to China’s absence, the treaty had managed to separate Japan and China, and eliminate any chance of military confrontation (Koo, 2010).

2.1.2. 1945-1990

The initial resurgence of the Senkaku Islands dispute occurred in 1968. The Committee for Coordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas (CCOP) under the United Nations Economic Commission for Asia and the Far East (UNECAFE) published a geological survey concluding 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 and 100 billion barrels” (Koo, 2010, p. 109).

In September 1970, the dispute quickly escalated because of a Taiwanese journalist who raised the Taiwanese flag on Uotsuri, the main island of the Senkaku

Islands. The Okinawa police took down the flag, which in turn triggered worldwide demonstrations against a militarist Japan and “the need to defend Chinese sovereignty on the Senkaku Islands” (Koo, 2010, p. 109). To minimise damage, Japan initiated the United Oceanic Development Company (UODC) with Taiwan and South Korea to develop resources from an adjacent continental shelf as partners. China quickly intervened by claiming that the Senkaku Islands, as well as Taiwan, “were China’s sacred territory and that exploitation of the area by foreign countries would not be tolerated.” (Koo, 2010, p. 110). Before this claim, the Senkaku Islands had never been disputed before, so the claim came as a surprise to Japan who had presided over the islands since claiming them in 1895.

In 1972, the United States reverted Okinawa back to Japan (See Appendix V). Since the Senkaku Islands had been seen as a part of Okinawa, the islands were also given back to Japan. The reversion and the UNECAFE report quickly made the Senkaku Islands dispute the most significant issue between China and Japan at the time. In the beginning of the 1970s, the dispute dropped in importance to make room for more pressing matters in the area. The growing economic interest between China and Japan also played an important part in de-escalating the issue, since it became increasingly important to reach better Sino-Japanese relations to achieve a beneficial, mutual economic partnership (Koo, 2010).

In 1975 China and Japan started bilateral negotiations to normalise their relationship. These negotiations concluded in signing the Treaty of Peace and Friendship (PFT) in 1978 (Swanström, 2005). The Senkaku Islands dispute was left out of the treaty, with China’s leader Deng Xiaoping declaring that the status quo of the islands should be maintained until “a future generation has the wisdom to settle it peacefully” (Swanström, 2005, p. 233). Earlier in 1978, the dispute escalated to a point never reached before, aimed to sway the ongoing PFT negotiations. National politicians and activist groups from Japan strongly advocated including the sovereignty issue in the PFT negotiations, which resulted in a complete halt in negotiations altogether and turned all discussion towards the sovereignty issue instead. (Koo, 2010). This left China’s leader Deng Xiaoping in a difficult position. If he confronted Japan about the claim, he risked losing the important PFT completely, but if he stayed silent, he risked potentially angering domestic powers in China. His urgent decision was to inflate the dispute even more by backing the Chinese

domestic agenda. This move showed how easy it was for domestic parties to ambush the issue with their own agenda. In August 1978, *Seirankai*, a right-winged Japanese group, built a lighthouse on Uotsuri Island to further emphasise Japan's claim to the islands. The escalations in 1978 clearly showed how the dispute could easily be derailed by ultranationalist groups to further their agenda, when politicians found it difficult not to back them up. Although the issues had turned Japan and China increasingly against each other, neither party wanted the dispute to turn into an actual, full-blown conflict. The parties managed to continue the PFT negotiations, reaching an amicable agreement that would help both parties further their trade relationship. (Koo, 2010)

In the 1980s the Sino-Japanese relations were at an all-time high, mostly due to China's heavy dependence on Japanese ODA loans to boost the growing economy. Another reason for the lack of provocation and reaction from China's side was the Tiananmen Square Protests of 1989, which launched sanctions against China from numerous countries in the international community, including Japan. In addition, the Soviet Union's involvement in Cambodia, Sino-Soviet territorial issues, and the Soviet invasion of Afghanistan prompted China to join an alliance with Japan and the United States, as a way to balance against the Soviet Union. The existence of mutual goals, as well as the importance of Japanese ODA and strong economic ties kept China in check during the 1980s (Wiegand, 2011). At the end of the decade, China made peace with the Soviet Union, and soon relations between Japan and China started to become tense again.

2.1.3. 1990-2000

In 1990-1991, a third round of serious escalations took place. Although *Seirankai* had erected a lighthouse in 1978, it did not have official lighthouse status yet. However, in 1990, *Nihon Seinensha* (Japanese Youth Federation) petitioned for official lighthouse status and was able to get the application accepted for review by the government. Once again, an ultranationalist group had managed to escalate the dispute by pushing their agenda onto the government (Koo, 2010). The collapse of the Soviet Union forced China to re-evaluate their policies, thus pressing the matter to calm domestic voices. Japan, on the other hand, had to satisfy the Japanese people as well as the international community

after receiving heavy criticism about the possible Japanese involvement in the Gulf War. Japan had been preparing a Gulf Cooperation Bill (GCB) that would have dispatched the Japanese Self Defence Forces (SDF) to the Gulf region, although without combat capacity, due to the restrictions of Article 9 of the Japanese Constitution (Koo, 2010). Article 9 of Japan's constitution reads as follows:

“Renunciation of War: Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.”
(Japan Const. Ch. II, Art. IX)

Article 9 has not been amended since it was first written; however, it has been reinterpreted a few times to change Japan's rights to a self-defence force. The first reinterpretation followed the backlash of Japan's actions regarding the Gulf War (Umeda, 2015). Luckily, both governments opted for de-escalation. The Japanese government declined the lighthouse status application by *Nihon Seinensha*. Japan also formally noted that the GCB debate was only concerning the Gulf War and would in no way affect East Asian relations. China, being worried about domestic unrest after the fall of the Soviet Union, decided that it was more important to keep good relations with Japan than to escalate the dispute. Through growing economic relations as well as Japanese ODA to China, the Senkaku Islands dispute was once again shelved (Koo, 2010).

In 1996, *Nihon Seinensha* built a second lighthouse, this time on Kita-Kojima Island of the Senkaku Islands group. China required the Japanese Government to take an official stance on the ownership issue of the islands, but Japan declined under the pretence that the government had nothing to do with building the lighthouse. However, Japan shortly after declared its Exclusive Economic Zone (EEZ) that included the Senkaku Islands, as required by United Nations Convention on the Law of the Sea (UNCLOS) that had recently come to force (Koo, 2010). On August 28th, 1996, Japanese Foreign Minister Yukihiko Ikeda finally made a statement making Japan's stance fully clear: “Senkakus have always

been Japanese territory; Japan already effectively governs the islands, so the territorial issue does not exist.” (Koo, 2010, p. 121).

Ikeda’s statement forced China to give Japan a warning and they condemned the remarks as irresponsible, blaming any actions by ultranationalist groups on the general attitude conveyed by the Japanese government. China’s government also completely ignored the blatant anti-Japanese propaganda being put forth by the Chinese media, presumably to satisfy domestic opinion. The backlash from Ikeda’s statement snowballed and ended up turning the dispute into a full-blown crisis. Within one month the Japanese Maritime Safety Agency (JMSA) forcefully detained a Taiwanese fishing vessel near the islands, drove out a Hong Kong TV crew, *Nihon Seinensha* returned to repair the new lighthouse, reapplied for official recognition, the People’s Liberation Army Navy (PLAN) practiced blockades and landing on islands, a pro-China activist drowned after the JMSA prevented his vessel to dock on the Senkaku Islands which resulted in large-scale anti-Japanese protests around the world, and activists from both Taiwan and Hong Kong landed on the Senkaku Islands to raise their flags (Wiegand, 2011).

At the same time, UNCLOS was in the final process of ratifying, with both China and Japan announcing their respective EEZs, overlapping in many areas, including the Senkaku Islands. During this time, Japan started to more forcefully defend its claim on the Senkaku Islands, while still insisting that it was willing to keep the sovereignty issue apart from negotiations on EEZs and economic relations (Koo, 2010). Japan’s domestic politics had changed from the previously more China-friendly approach to a more domestic, nationalistic view. China’s continuous nuclear testing also put a strain on the relations. China was at the time occupied with issues concerning Taiwan, and all this resulted in the United States and Japan strengthening their mutual security relations (Koo, 2010). The death of the Hong Kong activist resulted in both the Chinese and Japanese governments attempting to get the dispute under control. Both governments made sure no national activists could re-escalate the already tense dispute. The United States also helped the situation by stating that the United States-Japanese security treaty (see appendix VI) did in fact not cover the Senkaku Islands. This statement clarified the United States’ opinion on the matter, which in turn helped mend both Sino-Japanese and Sino-US relations (Koo, 2010).

During the 1996 escalation, trade relations played an important part in moulding the strategies of dealing with the strained sovereignty dispute (Koo, 2010). At the time, any military action concerning the Senkaku Islands was not an option for China due to the profitable economic relationship with Japan. Furthermore, military action would have brought the United States to intervene. On the other hand, the United States also pressured Japan not to aggravate China on the matter of legitimacy. In the Reversion of Okinawa (See Appendix IV), the United States had made it clear that the Senkaku Islands were not covered by their mutual Security Agreement (See Appendix VI), pressuring Japan to avoid any military action at all costs (Koo, 2010).

2.1.4. 2000-PRESENT

“If there is a flash point to ignite a third Sino-Japanese War, it will be the ownership of the Diaoyu Islands [Senkaku Islands] in the East China Sea.” (Wiegand, 2011, p. 95).

Since the normalization of the Sino-Japanese relationship in 1972, the economic relations were more important to China than to Japan. At the beginning of the new millennium, a slow shift started, with China’s growing economy making the Japanese relations to China all the less important. Economic independence was getting more equal between the countries, lessening the importance of their mutual economic relations. However, economic independence also made the cost of conflicts more important, which in turn worked as an incentive for both parties to avoid conflict. The biggest change resulting from this could be seen in negotiation leverage. China became a much more equal partner, with Japan losing its leverage of economic aid in the form of ODA. Japan also saw China’s economic and military rise as more threatening than before, triggering more drastic reactions to any negativity by the ultranationalists of both countries (Koo, 2010).

The main focus of the dispute has shifted to the possible oil and natural gas reserves in the sea surrounding the islands. China has been pursuing the development of gas fields and oil rigs in order to secure energy production (Swanström, 2005). In 2003, China started the Chunxiao gas field development, which Japan protested by conducting their own development research in their waters. This turned the dispute into a more

heated one, resulting in research vessels and security patrol vessels being dispatched into proximity by both parties (Swanström, 2005).

In 2004, the saying “while economy is hot, politics is cold” became well-known in both Japan and China, as the already strained relationship became even more complicated and has continued to play a part in their mutual relationship ever since (Koo, 2010). Economic relations between the nations were strong and growing, yet, politically the relations were cold and at a standstill. In 2004, at an ASEAN summit meeting in Laos, China declined Japan’s Prime Minister Junichiro Koizumi’s invitation to visit Japan, and also withheld China’s support for Japan in Japan’s campaign to become a permanent member of the United Nations’ Security Council. Koizumi’s cabinet announced in Japan’s National Defence Program Outline that China was now counted as a potential threat against Japan, together with North Korea out of the East Asian states. This was the first time China was mentioned by name as a threat to Japan in an official setting (Swanström, 2005). During this time, China published a Defence White Paper where it mentioned its “concern about Japan’s increasing security consciousness” (Swanström, 2005, p. 237).

This time the initial issue started with activists from mainland China landing on Uotsuri Island in March 2004. The Japanese Coast Guard arrested the activists and deported them back to China. China protested the arrest of Chinese citizens, which in turn triggered *Nihon Seinensha* to visit the Senkaku Islands. This led to a public opinion that was decidedly anti-Japanese by the Chinese people (Koo, 2010). What made matters even worse was the dispatch of Japanese SDF to Iraq, Japanese Prime Minister Junichiro Koizumi’s visit to the infamous Yasukuni shrine, dedicated to victims of the Second World War, including Class A war criminals, and the widely-held opinion in China that Japan had not apologized nor had they shown enough remorse for atrocities and occupations during World War II. All these combined led to enormous pressure by the public on the Chinese Government to make an official claim on the Senkaku Islands and express that no compromise on the matter was possible (Koo, 2010). In Japan, the ultranationalists, who also refused to admit Japan’s faults in the Pacific War and denied all of Japan’s war atrocities, started a strong campaign to put more pressure on the Japanese government to counter China’s move. Once again, the ultranationalists of both countries were the driving force behind the governments’ actions. Although the groups were in fact small, they were loud enough for the opposite country’s government not to ignore them. The

dispute flared up even further in May 2004, when a Chinese research ship was conducting research in what Japan considers to be its EEZ. Although Japan strongly advised China to end all activity in the zone, China decided to ignore this heavy request and started constructing a natural gas drilling facility in the disputed area. Japan countered by launching its own research on natural gas exploration in the area. Both countries deemed the others' research and exploration as illegal (Koo, 2010).

In 2005, the Japanese Coast Guard took possession of the lighthouse on Uotsuri Island, when the former private owner gave up his ownership claim. This was strongly criticized by China. Numerous anti-Japanese protests flared up around China, leading to the biggest strain on bilateral relations in decades. Both countries still agreed on working together to relieve tension, and efforts on both sides were successful (Koo, 2010). Despite that, Japan still developed a detailed military plan for a potential military escalation with China regarding the Senkaku Islands in 2007 (Wiegand, 2011). After exhaustive negotiations, the two countries reached a conclusion for a joint development of natural gas field research in 2008. Once again, the economic considerations were the key to de-escalating the tensions between China and Japan (Koo, 2010). Although economics seems to have played an important role throughout the history of the Senkaku Islands dispute, it is not enough to keep the peace completely. Only one week after the joint development agreement in 2008, the Chinese government started an official protest against Japan concerning aerial inspections of the Senkaku Islands (Wiegand, 2011).

There were countless clashes at the time: both Japanese and Chinese patrol and military ships circled the disputed waters, Chinese submarines were spotted in the area, natural gas and oil research occurred in the disputed areas by both China and Japan, and in 2009, there was even a fighter plane incident where two Chinese fighter planes chased Japanese fighter planes in the disputed area (East Asian Territorial Disputes – A Timeline, n.d.).

In 2010, Japan and the United States organised a joint military exercise in the East China Sea, possibly to signal China that the countries are ready for possible escalation from China's side in the future (Wiegand, 2011). This was a dangerous strategy, since feather-ruffling could end up provoking China even further, increasingly damaging the mutual relations.

The biggest source of dispute between China and Japan regarding the Senkaku Islands in recent years was the decision by the Japanese government to purchase three of the islands from a private owner in 2012. This sparked an outrage in China, resulting in violent demonstrations against Japanese businesses and institutions (Ministry of Foreign Affairs of Japan, 2016). China issued a very straightforward statement, blaming the Japanese government for instigating “a political storm around the issue of “purchasing” the islands” (Ministry of Foreign Affairs of the People’s Republic of China, 2012).

The statement ended in a very strong threat that if Japan went through with the purchase plan, China would react:

“The Japanese government pulled off its mask and revealed its own intention to “purchase” and “nationalize” Diaoyu Island, Nanxiao Island and Beixiao Island. By “nationalizing” the islands, the Japanese government aims to reinforce its “actual control” over Diaoyu Islands and eventually occupy the islands. [...] We advise the Japanese government to recognize the gravity of the situation, pull back from the precipice, and immediately cease all acts that violate China’s territorial sovereignty. The determination of the Chinese government and the Chinese people to defend their territorial sovereignty is firm and unshakable. We have the will and the ability to defend our territorial sovereignty. Any attempt by Japan to covet Diaoyu Islands will end in failure” (Ministry of Foreign Affairs of the People’s Republic of China, 2012).

Japan has been very quiet on how the purchase deal played out without releasing any official statements on the topic. However, according to Kyodo News, the Japanese government purchased three of the five main islands from a private Japanese owner in September 2012 (Kyodo News, 2013).

In 2013, China established an air identification zone called “East China Sea Air Defence Identification Zone” (ADIZ), that arguably served as a counter measure for the purchase debacle. In an official statement by the Chinese government, it is explained that ADIZ will cover China’s territory as well as the outer limit of the territorial sea. When an aircraft enters the identification zone, they are required to identify themselves, report flight plans and convey their exact location (see appendix VII) (Qiang, 2013). If not complied, the aircraft risks being subjected to unspecified emergency defensive measures

by Chinese authorities. This time, Japan heavily criticized the plan of ADIZ and was backed up by the United States and the ASEAN to combat the growing assertiveness of China regarding territorial disputes at sea (Kyodo News, 2013).

In April 2014 at the Japan-US summit meeting, US President Obama stated that the Senkaku Islands were unquestionably covered by the Japan-US Security Treaty (see appendix VI), stipulating an obligation of the United States to defend the Senkaku Islands as part of Japan. This was the first time the President of the United States had made such a clear statement on the issue of the Senkaku Islands regarding the United States (Iizuka, 2014). Since 2014 the situation has stayed relatively calm, however, countless breaches into both parties' EEZs respectively have been common. The future will show what kind of effects current changes in politics in the United States have on the Senkaku Islands dispute.

In 2017, after a tumultuous presidential campaign in the United States, President Donald Trump's defence secretary James Mattis specifically mentioned that the Senkaku Islands are still covered by the Security Treaty between Japan and the United States (See Appendix VI). This was a welcomed gesture for Japan, especially after Donald Trump's somewhat alarming comments during his campaign about weakening the security treaty (Panda, 2017).

Enduring territorial disputes are disputes that have lasted for over ten years, with or without militarized conflict (Wiegand, 2011). The issue with the Senkaku Islands dispute is that although the dispute has been ongoing for decades, there has never been any attempts to actually resolve the dispute. China and Japan have never even come to a mutual conclusion on whether the Senkaku Islands is in fact disputed at all.

3. CURRENT STATUS QUO AND CLAIMS

3.1. CLAIMS OF THE SENKAKU ISLANDS: THE VIEW OF INTERNATIONAL LAW ON ATTRIBUTION OF TERRITORY

According to international law a territory belongs to the state that holds the title to that territory. A state's right to exercise sovereignty over specific territory is based on the territorial title (Hamakawa, 2007). In international law, there can be said to be one main quality in regard to the title to territorial sovereignty, that is, the importance of effective control. This is important in both creating and maintaining a title to a territory. Since the 16th century, mere discovery of a territory has not been enough in the eyes of international law, not even with intent to occupy. According to international law a title to sovereignty is a title *erga omnes*, meaning a real, statutory entitlement owed towards all. However, history shows that a decision made between two competing claims is in fact enough to establish a title holder (Jennings, 1963). A well-known example of this, and in many ways one of the earliest, is the judging of the case on Eastern Greenland by the Permanent Court of International Justice:

“Another circumstance which must be taken into account by any tribunal which has to adjudicate upon a claim over a particular territory, is the extent to which sovereignty is also claimed by some other Power. In most of the cases involving claims to territorial sovereignty there have been two competing claims to sovereignty, and the tribunal has had to decide which of the two is stronger” (Jennings, 1963, p. 5).

There are five modes of territorial change through which states can gain the title to territory: occupation, prescription, cession, accession (also known as accretion) and subjugation (previously known as conquest). These means deal not only with changes in actual occupation but changes in the rights to territorial sovereignty (Jennings, 1963). Japan bases its title to the Senkaku Islands on occupation (Hamakawa, 2007).

3.1.1. THEORY OF OCCUPATION AND THE AFTERMATH IN THE EYES OF INTERNATIONAL LAW

Occupation according to international law is “the appropriation by a state of a territory which is not at the time subject to the sovereignty of any state” (Jennings, 1963, p.20). The territory in question does not need to be uninhabited. Many international disputes can be said to stem from this clause, since indigenous peoples do not have sovereignty over their land, only states can act as titleholders (Jennings, 1963). For a territory to be occupied it needs to be *terra nullius*, a territory not belonging to any state. The occupying state usually brings out their intent to occupy a specific territory through a declaration or notification to the international community that the territory in question will be incorporated to the state in question. However, neither is required for an occupation to be seen as legal, a clear show of intention to incorporate the territory into the state is enough. So, to successfully occupy a territory, the state must effectively prove the intention of occupation (Hamakawa, 2007). The main legal issue with occupation is that legally to occupy a territory, the state needs to acquire the title to it. Both the title to territory and the exact territory in question need to be clearly defined for the occupation to be considered legally bound by international law (Jennings, 1963).

In the theory of law, once a state has acquired territorial title, it is immediately open for scrutiny by other states. Therefore, there should in theory not be any claims on the same territory title among different states. In reality, this is not as black and white. Many territorial disputes rise from the notion of not being clear to whom the territory title belongs to. There might be different views on whether the title has been acclaimed the right way or at all. This makes the role of international law more difficult, since there is no specific mention on situations where territory title is not clearly decided upon by dispute parties. This is where a combined view of the theory on occupation as well as prescription can be used (Hamakawa, 1963).

Prescription is related to the theory of occupation. As a legal concept prescription is a bit more complex than occupation. It means acquisition of title by a long-continued and undisturbed possession. There are two main understandings of precession; extinctive prescription and acquisitive prescription. Extinctive prescription refers to a failure to

present a claim within a reasonable time of a specific territory, however, this has no relations to title and is therefore not as relevant as acquisitive prescription. Acquisitive prescription refers to the situation where “a substantive right of the former owner of the title is extinguished” (Jennings, 1963, p. 21). However, no specific time frame for this is specified in the context of international law.

Acquisitive prescription can still be interpreted in two ways:

1. “A possession that has so long been established that its origins are not only now beyond question but also unknown.
2. A prescription strictly so-called, where the actual exercise of sovereign rights over a period of time is allowed to cure a defect in title; where the exercise of sovereign rights either rests upon a demonstrably defective title or is even in origin wrongful. In this case the title is acquired by means of an “adverse” possession” (Jennings, 1963, p. 22)

In the case of the Senkaku Islands dispute, although Japan’s claim is based on occupation, as this claim is not accepted by China and could in fact be disputed, Japan has time on its side. Since the Senkaku Islands are under Japanese governance and according to international law Japan is in fact the titleholder for the disputed islands, continuously and effectively exercising sovereign rights over the territory. In the well-known case of *Islands of Palmas* in 1928, the traditional modes of acquiring territory were combined and reapplied by the Permanent Court of Arbitration as follows:

“The continuous and peaceful display of territorial sovereignty... is as good as a title. Territorial sovereignty, as has already been said, involves the exclusive right to display the activities of a State. This right has a corollary, a duty: the obligation to protect within the territory the rights of other states, in particular their right to integrity and inviolability in peace and in war, together with the rights which each State may claim for its nationals in foreign territory. Without manifesting its territorial sovereignty in a manner corresponding to circumstances, the State cannot fulfil this duty. Territorial sovereignty cannot limit itself to its negative side, i.e. to excluding the activities of other states....” (Huber, 1928).

Since the *Island of Palmas* case, the importance of effective control has preceded the importance of title in territorial disputes. (Hamakawa, 2007) Since it was founded on the continuous and peaceful display of territorial sovereignty, the case arbitrator Max Huber pointed out that “the Spanish had a title to the island by discovery and that this must be considered as included in the cession under Article III of the Treaty of Paris, an inchoate title could not prevail over the continuous and peaceful display of authority by another; for such a display may prevail even over a prior, definite title put towards by another state” (Jennings, 1963, p. 22) It is also important to note that the “critical date” of a territorial dispute plays an important role in how international law views the dispute. According to international law, only facts and state activities that occurred prior to the critical date of a dispute are accepted as evidence. However, there is no easy way to determine the critical date. This is often left to the judgment of a court, in the case of the dispute being taken to court (Hamakawa, 2007).

3.1.2. CLAIMS BY CHINA AND JAPANESE REBUTTAL

China bases the claims on Senkaku Islands on three main points; initial discovery, jurisdiction, and maps depicting the islands as Chinese territory.

CLAIM 1: THE SENKAKU ISLANDS WERE DISCOVERED BY CHINA

According to China, the earliest record of the Diaoyu Dao (the Chinese name for the Senkaku Islands) being used to depict said islands was in *Voyage with a Tail Wind* (Shun Feng Xiang Song), published as early as 1403 in the Ming Dynasty. In 1372, the King of Ryukyu started paying tribute to China; in return, Chinese imperial envoys were sent to the Ryukyu Islands. Between 1372 and 1866 China sent a total of 24 envoys to the Ryukyu Islands, and the Senkaku Islands were situated en route. China has noted that there is countless evidence of mentions of the Diaoyu Dao (Senkaku Islands) in reports by the imperial envoys. In 1650, the first official historical record of the Ryukyu Kingdom by Ryukyu’s Prime Minister Kozoken (Xiang Xiangxian) mentioned Gumi Mountain (later

named Kume Island of Okinawa) and Sekibi-sho (Chiwei Island) as the boundary between China and the Ryukyu Kingdom. This has later been mentioned in numerous published works during the tribute-relations between the Ryukyu Kingdom and China (Ministry of Foreign Affairs of the People's Republic of China, 2012).

Japanese scholars and researchers have counterclaimed that these mentions only prove that Kume Islands was part of the Ryukyu Kingdom, and no mention of whether China in fact did own Sekibi-sho Island, or merely used it as navigational help. Since the Senkaku Islands are located almost right between Fuzhou in China and Naha in the Ryukyu Kingdom, it could be argued that the mention of Sekibi-sho Island and Gumi Mountain was merely made to point out where the Ryukyu Kingdom ends, but there is no specific mention that these two in fact were part of the border between China and the Ryukyu Kingdom, let alone any mention of the ownership of the Senkaku Islands (Hamakawa, 2007).

China also claims that the Senkaku Islands were in fact not part of the Ryukyu Kingdom and therefore not part of current Okinawa that was reversed to Japan after World War II (See Appendix V). During negotiations about the Ryukyu Kingdom in 1879, both parties did recognize that the Ryukyu Kingdom consisted of 36 islands, which did not include the Senkaku Islands. Although both parties were of the same opinion, Japan claims that the reason why the Senkaku Islands was not included in the 36 islands of the Ryukyu Kingdom was that in order to be counted as one of the 36 official islands of the Ryukyu Kingdom, the island had to be inhabited and pay tribute to the capital. Only islands that met these conditions were counted as official islands of the Kingdom. This did not mean that other islands were not part of the Ryukyu Kingdom, they merely did not count towards the official islands of administration (Hamakawa, 2007).

CLAIM 2: THE SENKAKU ISLANDS WERE UNDER CHINESE JURISDICTION

In the 1560s *wako*, Japanese pirates, frequently raided China's coastline cities and villages. China established a coastal defence zone to counter any attacks by *wako* and according to China, the Senkaku Islands were part of its' coastal defence zone. (Hamakawa, 2007). In 1561, *An illustrated Compendium on Maritime Security* (Chou Hai Tu Bian) compiled under

supervision by Hu Zongxian, the supreme commander of the southeast coastal defence of the imperial court included the Senkaku Islands into the jurisdiction of the coastal defence of the imperial court in several map depictions. China presents this as proof that they did in fact have jurisdiction over the Senkaku Islands at the time (Ministry of Foreign Affairs of the People's Republic of China, 2012). This source has been questioned by Japan, since *An illustrated Compendium on Maritime Security* also includes other maps that do not depict Taiwan, Keelung Islet, Pengjia Islet or the Senkaku Islands at all, showing that the maps are inaccurate. Japan has also suggested that the reason the Senkaku Islands are depicted on the defence zone map but no other map might just focus on the areas where raids were more frequent and needed more attention by security forces (Hamakawa, 2007).

According to China, the Qing imperial court placed the Senkaku Islands under jurisdiction of Taiwan's local government, thus making the Senkaku Islands part of Taiwan, which in turn was incorporated into China (Ministry of Foreign Affairs of the People's Republic of China, 2012). This claim stems from a description of the Senkaku Islands in the Chinese publication *Riben Yijian* (A mirror of Japan) published in 1556 as *xiaodong xiaoyu ye*, small island of Xiaodong, Taiwan, however, this was before Taiwan was incorporated into China, so China had no jurisdiction over the area at that time. When Taiwan was incorporated into China, areas of Northern Taiwan, such as Huaping Islet, Mianhua Islet and Pengjia Islet were not included into Taiwan and therefore China. The Senkaku Islands are situated even further away from Taiwan than the aforementioned islets, which in turn made Japan claim that this can be taken as an assumption that the Senkaku Islands were also not included into the Taiwanese area that was incorporated into China (Hamakawa, 2007).

CLAIM 3: BOTH CHINESE AND FOREIGN MAPS SHOW THE SENKAKU ISLANDS AS CHINESE TERRITORY

The Roadmap to Ryukyu in the *Shi Liu Qiu Lu* by a Chinese envoy in 1579, *The Record of the Interpreters of August Ming* written by Mao Ruizheng in 1629, *The Great Universal Geographic Map* from 1767 and *The Atlas of the Great Qing Dynasty* from 1863 have all, according to China, depicted the Senkaku Islands as part of China. China claims that one

of the most compelling evidence based on maps is *The Illustrated Outline of Three Countries (Sangoku Tsuran Zusetsu)*, from 1786 by Japanese Hayashi Shihei. The publication includes *The map of the three provinces and 36 islands of Ryukyu*, which is in fact a coloured map from the Edo Period. In this map clear Japanese territories, such as the island of Kyushu are depicted in green, territories belonging to the Ryukyu Kingdom are depicted in brown, and Chinese territories are depicted in pink. In this map, the Senkaku Islands are also depicted in pink. This map, illustrated and published in Japan is one of the main evidences brought forth by China to prove that Japan was in fact in the know that the Senkaku Islands were not *terra nullius*, but part of Chinese territory (Ministry of Foreign Affairs of the People's Republic of China, 2012). Japan, on the other hand, has pointed out that the map was illustrated after Taiwan was already incorporated into China, however Taiwan is not depicted in pink, it shows the territories in different colours, the map contains many inaccuracies, such as the sizes of various territories, and most importantly, *Sangoku Tsuran Zusetsu* was written and published by Hayashi Shihei as a private citizen and can therefore not be said to show Japan's official stance. (Hamakawa, 2007)

A French cartographer, Pierre Lapie, illustrated the Senkaku Islands, Taiwan, Sekibi-sho Island among others all the same colour in *The Map of East China Sea Littoral States* published in 1809. China has also mentioned several other foreign map publications that according to China show the Senkaku Islands as part of China; *A New Map of China from the Latest Authorities* published in Britain in 1811, *Colton's China* published in the United States in 1859 and *A Map of China's East Coast: Hong Kong to Gulf of Liao-Tung* published by the British Navy in 1877 (Ministry of Foreign Affairs of the People's Republic of China, 2012).

4. PEACE THEORY: STRIVING FOR PEACE - KNOWING WHAT TO STRIVE FOR

“A peace based exclusively upon the political and economic arrangements of governments would not be a peace which could secure the unanimous, lasting and sincere support of the peoples of the world [...] and peace must therefore be founded, if it is not to fail, upon the intellectual and moral solidarity of mankind” (SIPRI, 1998, p. 7)

A territorial dispute might increase the risk of war, it will in the end only lead to war depending on how disputing parties handle the raised power play of territorial disputes. “Such practices include the threat, display and use of force, the making of alliances, and the building up of one’s military to increase power” (Koo, 2010, p. 4). Striving for peace is something that is generally seen as an obvious answer when it comes to dispute and conflict resolution. However, can it be that in some situations a dispute or a conflict is in fact a better option for a state than peace? In order to consider this question, it is necessary to first define exactly what is meant by the term ‘peace’.

Peace is often viewed as a synonym for stability. It can refer to stability in the world order, an equilibrium of power or inner stability of the mind. This view of peace is however very narrow and needs to be elaborated on.

According to SIPRI (1998), the current culture of violence in the world that grows of mistrust, intolerance, suspicion should be replaced with a culture based on nonviolence, tolerance and solidarity. The culture of peace should be seen as a collection of peaceful, nonviolent behavioural patterns and skills. It is also important to remember that peace in itself is not a fixed state of existence. The culture of peace “cannot be preserved if the basic rights and fundamental freedoms of individuals or groups are violated and when discrimination and exclusion generate conflict. Therefore, the protection of human rights and the promotion of a culture of democracy, which imply *inter alia* the formation of well-informed, democratically minded and responsible citizens, become important elements in the construction of internal and international peace”

(SIPRI, 1998, p. 9). The irony is that the more globalized the world becomes the more conflicts and disputes seem to stem from domestic issues.

4.1. DEFINING THE NOTION OF PEACE

Johan Galtung, the principal founder of the discipline of peace and conflict studies refers to the notion of peace as follows:

“Peace seems to be an “umbrella concept”, a general expression of human desires, of that which is good, that which is ultimately to be pursued. Mankind will always be heading for goals, some of them very concrete, some of them more abstract and diffuse, and “peace” seems to be one of the terms that is used for this generalized goal. “Happiness” is perhaps another such term, to be used at the more individual level, “peace” has the advantage of expressing global, collective concerns.” (Galtung 1967, p.6)

Peace is a very strong term that plays a huge part in today’s world politics. It can be argued that peace as a goal is what motivates any states to work together. According to Galtung, the fact that the term “peace” is so abstract works in its favour: “peace probably makes sense to many people precisely because it corresponds to their experiences and they can endow it with the meanings that to them are most important.” (Galtung 1967, p. 6) If the term “peace” would be more specific and concrete, it would lose its purpose as an umbrella concept and become much more intangible for people to comprehend.

However, there is another side to the terminology. While it can be argued that it is beneficial that the term “peace” is broad, it also results in a sense of peace being aloof, confusing and not possible to consider as a concrete goal. This means that the value of peace as a reachable goal suffers, since states and organizations might not consider it a possibility and not clear enough how to work towards it. In today’s world where wars, conflicts and violence are regularly present it is even more important to have a clear picture of peace being possible to achieve. Galtung (1967) argues that it is important for the idea of peace that the term is both vague and concise, depending on the context. If

peace is not seen as a concrete, achievable outcome, it is much harder to motivate people to work towards it. At the same time, for the majority of people to identify and emotionally attach themselves to the idea of reaching peace, the notion has to be vague enough to include the ideals of the largest amount of individual thoughts as possible.

The term “peace” can be seen on different levels and having different layers, not as straight forward as maybe before, but how it as an ideal and a notion has the possibility to be both vague enough and concrete enough at the same time to work as a motivating factor for states, the international community as well as individuals.

Galtung (1967) identifies three directions of precision of peace. According to the first precision, peace can refer to stability, both external and internal states of humans. This precision also covers the notion that peace does not necessarily have to be the absence of violence, for example, a soldier in a war situation can still have inner peace regardless of the violence he is part of. It covers the concept of a predictable social order, even if this said order is in fact brought about by the use or threat of violence.

The second precision of peace is what Galtung (1967) calls *negative peace*. It is the absence of violence, more specifically organized collective violence between specific human groups, such as nations, classes, racial, ethnic or religious groups. The reason it is specified that this notion of peace is based on collective violence means that occasional homicides and other acts of violence are excluded from the notion. The concept of violence within negative peace is strictly used only as a clear change in security and violence between human groups that crosses the line of occasional outbursts and individual acts of violence.

The third precision, *positive peace*, is according to Galtung (1967) a culmination of positive and good actions in the word community as a whole. It focuses on cooperation and integration between different groups. Positive peace can be seen as the ultimate definition of peace that includes the most widespread effect of peace. It is the definition most commonly affiliated in peace definitions. Although positive peace is seen as the absolute absence of violence with more emphasis on the positive outcomes of peace, the notion does in fact exclude occasional individual violence acts. Positive peace is therefore much more than the absence of war; it is also the absence of instruments and institutions of war (SIPRI, 1998).

The first precisation is irrelevant in most peace studies, since it does in fact include violence on a larger scale and can therefore be present even when the overall situation within a group of people or between groups of people are far from peaceful. The notion of positive peace has often been criticised for being too vague to use in the study of peace. Although positive peace is most often seen as the ideal outcome, it is very hard to attain and even harder to analyse effectively.

The notion of negative peace is most often used in peace studies, mainly for the reason that it is the easiest of these three precisations to analyse and study objectively. It is often concised in the form of “absence of organized, collective violence” (Galtung 1967, p.12). However, the notion of negative peace is still problematic, mostly because for the notion to be effectively used and understood in research, it is important to conceptualize all aspects of the notion. So, in order to use this notion of peace, one also has to define the notion of (organized, collective) violence (Galtung 1967).

The Encyclopedia of Conflict Resolution (1997) refers to violence as “the intentional infliction of physical harm on another. [...] Physical violence is also a common result of uncontrolled conflict escalation. [...] Although conflicts can be resolved after violence has occurred, conflict resolution becomes much more difficult at that point” (p. 303-304) According to the United States Institute of Peace, violence is “Psychological or physical force exerted for the purpose of threatening, injuring, damaging, or abusing people or property. In international relations, violent conflict typically refers to a clash of political interests between organized groups characterized by a sustained and large-scale use of force” (Snodderly, 2011, p. 53). Galtung (1969) explains that there are several layers in the definition of violence, based on numerous dimensional distinctions. The first distinction needed is the distinction between physical and psychological violence, which is quite self-explanatory. Not all types of violence come with physical pain or injuries. The second distinction is between the negative and the positive influence over someone, more commonly referred to as “the carrot or the stick”-approach, where influence can come through punishing for wrongdoings or rewarding for obeying the influencer. The third distinction is whether or not there is a clear object of violence; Galtung (1969) raises the question that if there is no biological or physical object subjected to violence, is it still violence? The fourth distinction is whether or not there is a subject (actor) acting out the violence. This is where Galtung (1969) brings forth the definition of structural violence

versus personal violence. Structural (indirect) violence means that there is no specific person or subject of the violence, but that the violence is instead built into the structure of society and shows in unequal power balances or inequality. Personal (direct) violence is what is considered more traditional violence, where the subject acting out the violence towards the object can be clearly distinguished. Sometimes structural violence is referred to as social injustice. The fifth distinction is whether or not the violence is intended or unintended. This is closely linked to guilt and consequences. The sixth distinction is between two levels of violence: the manifest and the latent. Manifest violence, which can be both personal or structural, is something that is possible to observe, whereas latent violence is violence that is not yet present but can easily come out. As Galtung (1969) puts it: "An extended concept of violence leads to an extended concept of peace" (p. 183).

In order to pursue peace within a relationship, whether it is on a personal level or a national or even global level, it is obviously necessary to minimize negative aspects of the relations and maximize positive aspects of the relations. Galtung (1967) lists examples of positive relations and values that can be used to pursue peace. Examples of such are presence of cooperation, freedom from fear, freedom from want, economic development and growth, absence of exploitation, equality, justice, freedom of action, pluralism and dynamism. Galtung elaborates further on what is meant by these values on an interstate level between nations. Presence of cooperation means that there is interaction between the parties and some level of exchange, whether in goods, services, culture or other. The negative value related to this is isolation. Freedom of fear refers to just that: a sense of security and predictability of negative events so that there is no need to live in constant fear of negative events. This includes natural disasters. Freedom from want means that citizens of nations have their basic needs fulfilled and enjoy basic human rights to live a dignified and fulfilled life at least at a basic level. Economic development and growth refers to a strive for growth in GDP per capita or effective resource distribution. The absence of exploitation is, according to Galtung (1967), that there is no blatant inequality between nations involved that would result in exploitation of one nation by another. Equality is also quite self-explanatory: nations and individuals should be seen as having the same essential value and rights. Justice is closely related to equality, focusing mainly on fundamental rights of individuals or nations. Freedom of action is a bit more complex. Galtung (1967) explains that freedom of action means that nations or individuals have

opportunities or possibility of choice as well as means to carry out these opportunities or choices. It is closely linked to independence. Pluralism and dynamism have been criticised as being unnecessarily complex when viewed as positive relations. Galtung adds them as examples because they are an inherent part of positive values, whether or not they are in fact too complex or broad as concepts. By pluralism Galtung means that nations should coexist in the world order but still maintain a large social and cultural diversity. Dynamism on the other hand means that nations should be constructed so that the international community and the world order have built-in conditions for change or chance of change and development on broader level.

It is widely debated whether negative peace is enough to strive for, but at the same time the notion of positive peace is seen as too complex and broad to strive for in a constructive and concrete manner. There are different instruments that can be used to analyse possible outcomes of peace theories or conflict policies between nations. One of the most well-known is game theory that focuses on probability of different outcomes. Game theory is often quite vague and since it works merely on a probable level of analysis, it is not an effective enough tool to differentiate between analysis of negative and positive peace. It can however shed light on conflict analysis and help narrow down possibilities of policies as well as for example peace theories.

4.2. GAME THEORY

Game theory is the logical analysis of situations of conflict and cooperation. A game is defined as any situation with at least two different players, where the players follow strategies to determine an outcome. The players can be individual or general entities, such as nations or companies. The players have a set of strategies, which are courses of actions they can take in the situation in question. Which strategies are implemented by the players determine the outcome of the game. Each outcome is given a payoff that represent the value of the outcome to the different players. Game theory studies how players should rationally choose between different strategies, where the end game is for players to reach the outcome with the largest possible payoff respectively. By choosing strategies players can influence the outcome, however, the outcome always depends on strategy choices of

the other players. This brings in conflict and cooperation into the equation (Straffin, 1993).

Usually conflicts are seen as opposing forces, in game theory this means there are two possible outcomes for opposing forces: a win-lose situation where one party wins and the other party loses, or alternatively a compromise between both parties. However, Miall et al. (1999) explains that the most common outcome in conflict situations is actually a lose-lose outcome where neither party reaches the ultimate outcome. If neither party is prepared to compromise or agree to an outcome, whether it is a win or lose situation, the cost of conflict might rise so drastically that both parties in fact become worse off than if they had chosen a different strategy.

In regard to the Senkaku Islands dispute game theory can be a tool in analysing whether keeping the dispute unresolved would in fact be more beneficial for Japan in the long run. It can be used for example to predict possible outcomes of either sides and that way further actions of dispute parties.

Straffin (1993) explains that game theory has at least three major obstacles when it comes to modelling real life situations. Any real-world game is complex, it might not be clear who the players are, what the possible strategies are, what outcomes those strategies lead to and what kinds of payoffs are realistic. It is important to remember that game theory merely gives a chance to create a simplified model to give insights to conflict and cooperation situations. The second major obstacle is that in game theory all players base their strategy decisions on rationality and pure logics. In real world games, all players might not be playing the game rationally, or at different levels of rationality. This makes predicting outcomes and possible strategies in real life practically impossible. The third major obstacle is that at the moment game theory does not have a specific prescription and formula for games where the players are not in fact strictly opposed.

There are different games and strategies for different scenarios. For example, players can use dominant strategies, which means there is a single possible strategy that is best for a player no matter what strategy the other player decides on. If both players choose a dominant strategy an equilibrium is formed. In this scenario both players reach the outcome that is in their own best interest. It is called an equilibrium because neither party has any desire to change their strategy to reach a different outcome (Anderton,

2008). In the case of the Senkaku Islands dispute, one could say the dominant strategy for both parties are to gain control over the islands. This would mean that an equilibrium is impossible to reach in this dispute.

Equilibriums in dominant strategies are very uncommon, since most of the time there is not a solution of strategy that both parties adopt separately that lead to the best outcome for both parties. In a dominant strategy, the parties can also reach what is called a Nash equilibrium, named after John Nash, an American mathematician who formulated the theory of the equilibrium. When a Nash equilibrium occurs, neither player can improve their outcome given the choice of the other player. Anderton (2008) explains that this is called an equilibrium simply because neither player has an incentive to change their strategy due to the strategy chosen by the other player.

The most commonly used game in game theory is the zero sum game. Zero sum games represent conflict situations and are often used to predict simplified solutions and outcomes of conflicts based on rationality and logics. “In a zero sum game, the gains of one player are matched by equal and opposite losses for the other player. When gains and losses are added up, they always equal zero” (Anderton, 2008, p. 331).

In a zero sum game the players are always strictly opposed, since one gamer’s gain is another one’s loss.

| ZERO SUM GAME | PLAYER 2 STRAT. A | PLAYER 2 STRAT. B |
|--------------------------|--------------------------|--------------------------|
| PLAYER 1 STRAT. A | (2, -2) | (3, -3) |
| PLAYER 1 STRAT. B | (0, 0) | (2, -2) |
| PLAYER 1 STRAT. C | (-5, 5) | (10, -10) |

Table 2.1 Shows payoffs to both player 1 and 2.

In the game presented in Table 2.1, player 1 has three possible strategies, whereas player 2 only has two. This means there are six possible outcomes based on these strategies. The first number in brackets represent the payoffs for player 1 and the second number the payoff for player 2. Since this is a zero sum game, the payoff to player 2 will always be the corresponding negative to player 1’s payoff.

Therefore, the table can be simplified in the following way:

| ZERO SUM GAME | PLAYER 2 STRAT. A | PLAYER 2 STRAT. B |
|-------------------|-------------------|-------------------|
| PLAYER 1 STRAT. A | 2 | 3 |
| PLAYER 1 STRAT. B | 0 | 2 |
| PLAYER 1 STRAT. C | -5 | 10 |

Table 2.2 shows the payoffs to Player 1.

Consider that Player 1 is pursuing a high number outcome, whereas Player 2 is pursuing a low number outcome. Clearly Player 1's highest number option would be 10, which means they would choose strategy C and hope that Player 2 chooses strategy B. Player 2 would most likely guess the strategy of choice of Player 1 and instead choose strategy A to reach 5 instead of -10. Again, Player 1 could try to logically conclude this step, which would lead to Player 1 abandoning strategy C and choose strategy A, which would result in payoff 2 for Player 1 and -2 for Player 2. A zero sum game could in this way continue indefinitely, or at least until either player cannot successfully deduce the opposing player's choice of strategy (Straffin, 1993).

As Miall et al. (1999) brings up, conflict resolution is usually a tool brought up when conflict parties consider themselves to be in a zero sum situation. In conflict resolution, there are five possible approaches based on game theory: yielding, problem-solving, compromising, withdrawal and contending.

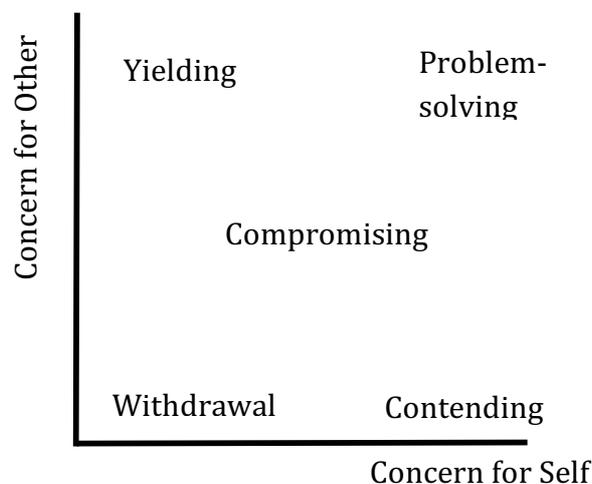


Table 2.3 Five conflict approaches

Opponents in conflicts are rarely strictly opposed, but instead have differing opinions and hopes of outcomes. This kind of game is called a non-zero sum game. In a non-zero sum game strategies can lead to different outcomes.

As an example,

| NON-ZERO SUM GAME | PLAYER 2 STRAT. A | PLAYER 2 STRAT. B |
|--------------------------|--------------------------|--------------------------|
| PLAYER 1 STRAT. A | (1, 1) | (-2, 2) |
| PLAYER 1 STRAT. B | (2, -2) | (-5, -5) |

Table 2.4 shows payoffs for both players.

As Straffin (1993) explains, in this situation, it would be the most profitable for both parties together to choose strategy A, resulting in a payoff for both parties. However, without a possibility to communicate, there is the chance that either player choose strategy B instead, resulting in a payoff of either -2 and 2 or worse for both: -5 and -5. This shows that in non-zero sum games it is crucial whether the player can communicate or not.

The most well-known aspect of the game theory is the game called the prisoner's dilemma. The prisoner's dilemma is based on a situation where both players or conflict parties choose strategies simultaneously without having a chance to negotiate or cooperate.

4.2.1. PRISONER'S DILEMMA AS AN EXAMPLE OF SIMULTANEOUS STRATEGY CHOOSING

In the prisoner's dilemma, there are always two opposing players present, both striving to maximise their own points of outcome. The game is based on the notion of cooperation, without being able to discuss the possibility of cooperation before choosing a strategy. Kanninen and Sintonen (2003) explain that both players will have to choose a strategy without conferring, after which the strategies are presented and both players receive points (outcomes) according to their cooperation or lack thereof. The main problem with the prisoner's dilemma is that if both players choose not to cooperate, they end up with

the worst possible outcome. However, if only one player chooses to cooperate, the other player receives the best possible outcome (Kanniainen & Sintonen, 2003). The game is called prisoner's dilemma because in order to explain the game, an example of two prisoners is often used. The example goes as follows: Two criminals are facing charges for a crime they committed together. The prisoners are interrogated in separate rooms without a chance to confer with each other, however, there is not enough evidence without a confession. If both prisoners confess to the crime, they both have to serve eight years in prison. If neither confesses, the lack of evidence results in only six years in prison. If only one confesses, that prisoner will be released immediately as a show of appreciation of their honesty, whereas the prisoner who did not confess has to face a maximum sentence of ten years in prison (Kanniainen & Sintonen, 2003).

The game outcomes are demonstrated as follows:

| PRISONER'S DILEMMA | Player 2 | Player 2 |
|---|---|--|
| | Agrees to cooperate (Does not confess) | Refuses to cooperate (Confesses to crime) |
| Player 1 Agrees to cooperate (Does not confess) | (6, 6) | (10, 0) |
| Player 1 Refuses to cooperate (Confesses to crime) | (0, 10) | (8, 8) |

Table 2.5 shows payoffs of both players in the prisoner's dilemma.

In this type of game agreeing to cooperate means to cooperate with the other prisoner by not confessing, whereas refusing to cooperate means confessing to the crime. As Kanniainen and Sintonen (2003) explains, the situation where both prisoners confess to the crime is more detrimental for both parties than the strategy where neither prisoner confesses. In a situation where only one prisoner confesses to the crime, the one who does not confess faces the maximum prison sentence, which means, that no matter which strategy the other player chooses, it is the most successful outcome to choose to deny cooperation and confess to the crime. This strategy works for both prisoners. If the game

of prisoner's dilemma is only played once, the only possible successful outcome for both parties is to deny cooperation. However, if the same players continue playing the prisoner's dilemma, thus learning the strategy previously used by the opposite player, it is possible to change the outcome. Kanniainen and Sintonen (2003) describe this situation as a learning curve, where the players can choose the strategy for the next round based on the previous strategy. Although neither player knows what strategy the other player will use in the upcoming round, it is possible for instance to penalize the other player during the next round if they do not agree to cooperate. If the prisoner's dilemma is continued, it would be more beneficial for both players to agree to cooperate in order to avoid possible backlash and penalties by the other player later on in the game rounds.

When it comes to international politics Nye (2004) argues that all policies should be based on avoiding the situation of the prisoner's dilemma. If a state finds itself in a prisoner's dilemma, the state will probably have to sacrifice its national interest in order to not be bound to the worst possible outcome. Although states might find themselves in this predicament, Nye explains that as long as the mutual interests of the state players are aligned, there is no need for compromising, since it would automatically lead to an equilibrium of cooperation. This is why it is crucial even for disputing parties to work towards peace and strive away from conflict escalation. If both parties are determined not to escalate a conflict or dispute, the worst possible outcome, in most cases war or other forms of armed conflict, are off the table.

In most real-life conflict situations, the players do have a chance to wait for the other party to make a move before choosing a strategy. These kinds of conflicts can be modelled using game trees. In game trees decisions on what strategy each player chooses are done sequentially instead of simultaneously as in the prisoner's dilemma.

Straffin (1993) uses the Cuban missile crisis between the United States and the Soviet Union in 1963 as an example on how game trees can model conflicts. Keep in mind that game theory does drastically simplify conflicts. The Soviet Union starts the game by choosing between two strategies: to place or not to place intermediate range ballistic missiles in Cuba. The first two branches show the Soviet Union's strategies. The strategy of not placing missiles leads straight to the first outcome: without placing missiles the conflict is avoided and the game ends. This outcome is labelled u. If the Soviet Union

chooses the strategy to place missiles in Cuba, the United States in turn can choose between three strategies: to do nothing about it, to create an aggressive action of a blockade or to destroy the missiles by air strike. These are the next three branches of the game tree. The first branch, to do nothing, leads to the second possible outcome: if the United States do not engage in the conflict, there is no conflict and the game ends. This outcome is labelled v. If the United States choose either one of the aggressive strategies of either a blockade or an air strike, the Soviet Union can in both cases choose between either escalating the conflict or acquiesce. These four outcomes are labelled w, x, y and z.

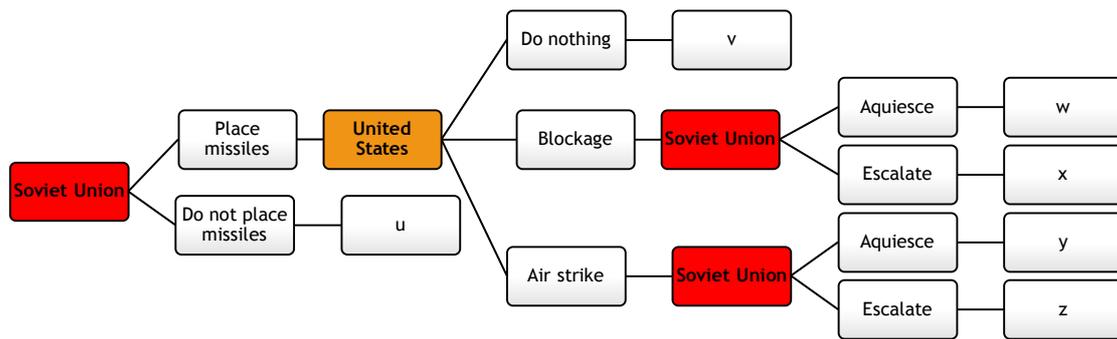


Table 3.1 Game tree representing the Cuban missile crisis

Of course, the real-life situation can in no way be simplified into a game tree, however, games trees can help create a clearer notion of a specific conflict. The main issue with game trees is that it is impossible to determine all probable outcomes and how game parties would in fact react when a real-life situation arises.

In the case of the Senkaku Islands dispute a game tree seems even more complicated to deduce. It is impossible to even start fathoming the possible outcomes, since there are so many options for both states before any possible outcomes could even be considered.

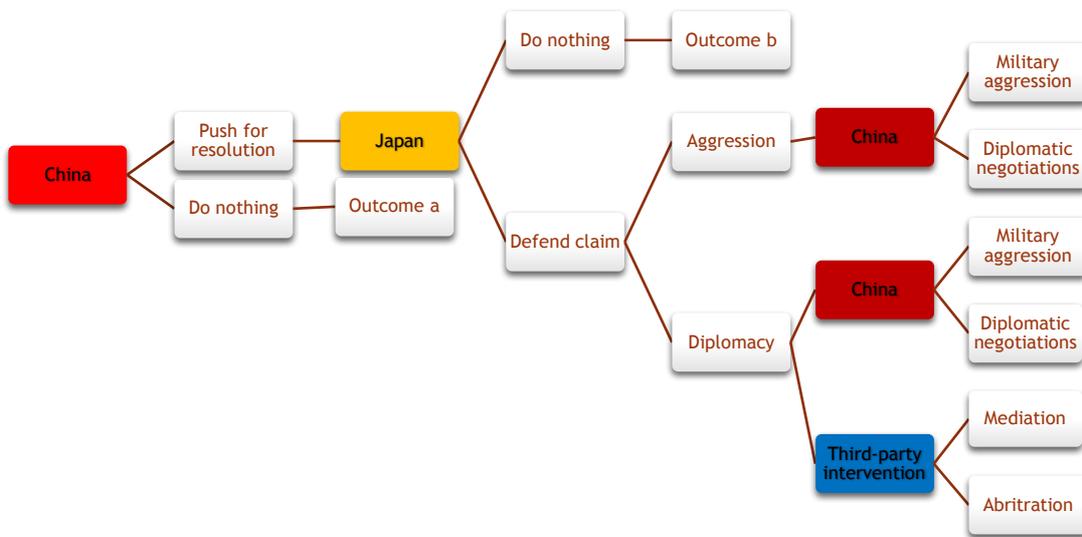


Table 3.2 Game tree representing the Senkaku Islands dispute

The table only shows two outcomes that show up very early in the game tree, that is, if either party decides to do nothing when faced with the choice to push for resolution or defend their claim. Other possible outcomes rely heavily on a number of choices, mostly boiling down to either a reaction of aggression or a reaction of diplomacy. The problem with showing a complicated conflict or dispute in this way becomes much more apparent in table 3.0 compared to table 2.3. Although game trees might not be efficient ways to show this specific dispute using a game tree, merely because game trees reflect and mimic real life conflict or dispute situations much more intricately than the Prisoner's dilemma or zero sum games.

4.3. PEACE THEORY SCENARIOS OF INTERDEPENDENCE

As could be seen in examples of the prisoner's dilemma, zero sum games and intricate game trees, the level of cooperation during a dispute between the disputing parties can play a crucial part. Galtung (1967) analyses the peace theory of interaction relations and interdependence models, which can be used to show exactly how dispute situations might change depending on the level of interdependence and cooperation between dispute parties.

Galtung (1967) defines two different positive values of interdependence: exchange and cooperation. He emphasizes that although cooperation is a form of exchange, exchange in turn is not necessarily cooperation. In cooperation, the states set up an organization, a specific entity on its own, whereas in exchange no specific joint organization is present and values move to and from the states separately, with the states merely observing no loss happening from the exchange. Galtung lists examples of exchange on a public level between two states: trade relations, exchange of political information, diplomatic relations and exchange of state visits. Galtung's examples of public level cooperation includes coproduction, political cooperation, diplomatic cooperation and top level cooperation.

Galtung (1967) goes on to explain the difference between two peace theories based on interdependence: the minimum interdependence world and the maximum interdependence world. Although these two worlds are complete opposites, they both in their own way can result in peace, argues Galtung.

In a minimum interdependence world, there is little to no interaction between the two states. The low or absent levels of interdependence mean that if one of the states would completely disappear, the other state would not be affected whatsoever. This world is seen as peace-productive for the simple reason that if the states have little or no interdependence, they will not have any mutual affairs to disagree on. No interdependence also tends to mean that the states are self-sufficient, which in turn leads to a larger interest in national policies with little or no regard to other states and their affairs. As Galtung puts it: "the less interaction there is, the less is there to quarrel about, hence the more peaceful the relation" (Galtung, 1967, p. 97). If there is little or no interdependence between two states, it mostly does result in peace, however, only negative peace, since positive peace would require a high level of interdependence, which according to this peace theory would in turn result in a higher level of possible conflicts. One could argue that in today's globalized world it is increasingly difficult to be a purely self-sufficient state with no interdependent relations to other states. It can also be said that low interdependence probably also results in little or no empathy for the other states, so in case of a conflict arising, the conflict escalation could be more rapid than in more interdependent situations, since there is no interest in the wellbeing of citizens of the other countries.

The maximum interdependence world theory is naturally the opposite of the minimum interdependence world. In this scenario, there is very high levels of interdependence between the states and if one would disappear completely, it would have devastating repercussions for the other state as well. It could be explained as a symbiotic relationship between two states. The peace theory behind this model is that when interdependence is at maximum level, one state cannot hit the other state without hitting itself in the process, as Galtung (1967) puts it. The level of empathy for the other state is also at a high level, which would also work as an incentive not to attack. The counter-argument for this theory is that the more cooperation and exchange there is between two states, the more possible disagreements on various topics are.

As these two peace theories show, cooperation and mutual relations between states can be much more complex than it seems on the surface. Symbiotic relations can turn out to be detrimental just as isolated states. In the case of the Senkaku Islands dispute, Japan and China has maintained a level of interdependence, cooperation and exchange throughout the dispute. It can even be said that the dispute has resulted in higher levels of cooperation and exchange. Can disputes in fact further develop lucrative relations between dispute parties? Although both parties might not benefit from a dispute, can disputes still be used as a tool for maintaining or further develop national interest?

5. ANALYSIS: HOW DOES JAPAN BENEFIT FROM THE UNRESOLVED DISPUTE?

East Asia is a unique area when it comes to conflicts, both in history and the future. It is the geographical area where five major economic powers collide: Russia, China, Japan and the United States. These also include the three strongest military powers in the world: the United States, China and Russia. This is an elevated risk for conflicts, since even the smallest seed of conflict can escalate quickly into a major power play.

There are various ongoing territorial disputes in East Asia, most of which have been enduring since the end of the Second World War. Koo defines four major characteristics of East Asian territorial disputes: 1. Most of the current disputes are remnants of a colonized past that has risen from the arbitrary territorial divisions by colonial powers, but also exploited by post-colonial nationalists; 2. Very few East Asian territorial disputes have been formally resolved, since very few disputing parties in fact even formally acknowledge any disputes; 3. The disputes follow quite a clear circular pattern of escalation and de-escalation following the initiation; 4. Although there are numerous ongoing territorial disputes in East Asia, none have escalated beyond control (Koo, 2010).

There are four major areas of policies and diplomacy where Japan can be said to have benefited from the ongoing Senkaku Islands dispute. These are domestic politics and nationalistic agendas, using the dispute as diplomatic bargaining leverage, keeping the United States as a key ally in the area, and controlling the outcome of other territorial disputes in the area.

5.1. DOMESTIC POLITICS AND NATIONALISTIC AGENDAS

“96 percent of ongoing disputes are over homeland territory and not colonial or dependent territory. This very high number may be due to the fact that most colonial claims have been resolved. Consistent with previous studies, only 30 percent of unresolved disputes have permanent populations, which indicates that the majority of disputes

are about uninhabited territories such as offshore islands or borders in mainland territory, not tracts of inhabited territory.” (Wiegand, 2011, p. 30)

In most East Asian territorial disputes symbolic attachment and nationalistic agendas may even play the largest roles in dispute endurance: “China’s growing irredentist tendency, combined with Japan’s habit of glossing over its war past, increases the likelihood of territorial conflicts by fuelling nationalist sentiments in its neighbors” (Koo, 2010, p. 7). Especially in Northeast Asia domestic politics are the main reason for slow development of security alliances in the area. Whether or not existing international security structures are adequate depends on how well they can adapt and meet new types of threats. Although nationalism can be seen as an old kind of threat to security, it is more diverse and has changed throughout history.

“The main elements of normal human activity – trade, communications, culture, finance – not to mention society’s scourges – drugs, crime, disease, terrorism – increasingly transcend national boundaries and national sovereignty. There is a steady globalisation of institutions in these fields. In *political life*, however, nationalism, and also ethno-nationalism has re-emerged as a strong and intransigent force. This constitutes a major challenge to internationalism and multilateralism which seemed to be the most sensible course for the nations to pursue after the Second World War” (Urquhart, 1996).

Disputes in East Asia have for long been generally ignored as long as they do not escalate to full-blown conflicts. The current geopolitical security situation is uncertain, not only due to territorial disputes and strong areal players, but also because ongoing disputes are easy to harness in the name of domestic politics or nationalism.

Wiegand (2011) explains that most of the earlier research in ongoing territorial disputes have focused on the probability of territorial disputes turning into armed conflicts, whereas later on research focus has shifted to other issues apart from armed conflict, such as “questions about the role of territory as an issue distinct from other types of issues disputed between states, initiation of territorial disputes, likelihood of resolution, effects of territorial changes and peaceful territorial transfers, the link between territory and enduring rivalries, and degree of third-party intervention” (Wiegand, 2011, p. 18-19).

There have also been numerous studies on how peaceful resolutions and settlements are more likely to lead to a sustainable peace between conflict parties, especially in territorial conflicts. (Wiegand, 2011). Kacowich (Wiegand, 2011) concluded that “international norms influence the likelihood of peaceful territorial change, but diplomatic intervention and a past experience in armed conflict do not have such influence. Likewise, regime type, power distribution, and third-party threats do not seem to play a conclusive role in the likelihood of peaceful territorial change” (Wiegand, 2011, p. 20). Previous studies have also shown that failed settlement attempts in the past raises the chances of third-party intervention, whereas a history of successful bilateral negotiations raises the chances of dispute parties settling the dispute without outside intervention.

Wiegand (2011) focuses specifically on value of territory as well as domestic accountability and mobility. The value of territory as well as domestic accountability and mobility have been previously studied in the context of territorial disputes and play an important role in understanding the core of these kinds of disputes. As Wiegand (2011) points out, the value of a territory is not as much in the territory itself; the value is inferred by people or states. Wiegand explains that territories can have tangible and intangible values. Tangible values include economic value as well as strategic value. Economic value comes from the gain in economy the disputed territory has to offer in terms of natural resources. Also, rich fishing grounds are taken into consideration as having economic value, however, only natural resources that are so significant that the state can gain export income from it is considered to be part of the economic value. The general idea is that the resources on the territory must increase the GDP of the state to be considered significant and part of economic value (Wiegand, 2011).

Strategic value is related to the territory itself: the proximity of important trade connections or military bases etc. The Senkaku Islands have strategic value for both China and Japan due to their respective EEZs. Economic gain can often work as an incentive for reaching a resolution to the conflict, since natural resources can often not be used before both parties are in agreement to whom they belong (Wiegand 2011). As mentioned previously, Japan has actively pursued cooperation programmes with the Republic of Korea and Taiwan on research of natural gas reserves in the disputed area, however, no active cooperation between China and Japan has been successfully established.

Wiegand (2011) argues that intangible value also plays an important role in territory disputes since not all value have to be tangible. Symbolic, ethnic, nationalistic and psychological values are examples of intangible value. They can pose a much larger problem in resolution attempts than tangible values, since these values are hard to sacrifice or compromise on. They are closely associated with nationalistic views and personal opinion, and often impossible to measure in importance.

One reason for a high number of unresolved disputes could be that the territories in fact lack a proper value. Many disputes may have high levels of tangible value, but not high enough to risk escalation to an armed conflict (Wiegand, 2011). Previous studies show that the value of territory is not enough to solely influence strategic behaviour of conflict parties. An area's economic and strategic value rarely significantly change, whereas intangible values are more unpredictable due to their nationalist or symbolic nature. These values may shift drastically and even under a very short period of time. Since value of territory is hardly the driving force for dispute strategies of conflicting states, previous studies show that domestic accountability and mobilization also play an important role in strategies.

On a national level, it would be important for political leaders and the people of the country to agree on this national value of a certain disputed territory. This is a very selfish strategy used by many politicians in gaining votes. It is in the politicians' best interest to back up the popular opinion of the people in order not to be punished for an unpopular strategy. Since the people tend to focus on the intangible value and nationalist emotions instead of possible negative repercussions of a heated conflict, this strategy may be harmful for the resolution process as a whole. It also decreases consistency if the conflict has been going on for a longer time, since politicians from different parties in power at different times might shift conflict resolution strategies to fit their own domestic agenda. Domestic accountability, also seen as domestic costs of settlement, assumes that political leaders tend to choose to act according to popular opinion instead of possible unpopular strategies to avoid domestic punishment by the people. The mobilisation argument suggests that "leaders can use enduring territorial disputes to mobilise public support for the government" (Wiegand, 2011, p. 31). For mobilization to be successful the territory must have intangible value, which may also be strengthened by the political leaders to achieve successful mobilization.

Japan has used domestic accountability as a strategy in other territorial disputes than the Senkaku Islands. On the issue of Chishima Rettou, Japanese political leaders have held a strong stance against any compromises with Russia, mainly because a compromise would not be taken well by the Japanese people. This has raised domestic support; however, it has deteriorated the relations between Russia and Japan (Wiegand, 2011).

Domestic punishment could be much more detrimental for China than Japan. This is because in a nondemocratic state domestic punishment may be more likely to result in coups, attempts of democratisation or general violence. In many nondemocratic and unconventionally democratic states, such as China, the ideal of that state is built on being superior and an act of compromise or even dropping a claim to a territory could not even be imagined by the people. This can lead to political leaders feeling the pressure to pursue strategies with a higher risk of conflict escalation or failure rather than suffer domestic punishment for abandoning the nationalistic agenda they themselves have built up for the people.

Wiegand (2011) explains that in previous studies on domestic punishment findings suggest that in case of democratic states, during and close to election periods political leaders are less likely to pursue negotiation on conflicts to avoid domestic punishment. The more insecure the authority of the leader is, the less likely the leader is to pursue a cause that will jeopardise the public's support. Domestic mobilisation is an easy tool to implement in regard to territorial disputes. The effect known as "rally-around-the-flag" is often used to push national agendas and bringing up domestic support for causes. This is commonly used in international disputes and threats, and when it comes to gather domestic support and acceptance for a cause from the people. The effect is also important in engaging and motivating the military troops to defend the national interest. The "rally-around-the-flag" effect is especially effective when the domestic situation in a state is vulnerable. The effect can be used much in the same way as diversionary war theory, where state leaders can shift the attention from domestic issues by engaging in international disputes and raise national morale by connecting them to a common enemy – the external threat (Wiegand, 2011).

Although the strategy of domestic support has been more successfully embraced by China when it comes to the Senkaku Islands dispute, Japan has also managed to use the

strategy, although in a more moderate fashion. Whereas in China politicians and ultranationalists have used the strategy of domestic support for demonstrations and boycotts, as mentioned in previous chapters, Japanese politicians have harnessed domestic support in more moderate ways to gain votes and political influence on a more personal level. The Japanese government has refrained from using strong “rally-around-the-flag” strategies against China.

Domestic support strategies are not only used by politicians. As mentioned before, ultranationalist groups from both China and Japan have managed to escalate the dispute by pushing their nationalistic agendas onto domestic politicians.

It is also important to note that since the Senkaku Islands are uninhabited and therefore does not directly affect any citizens’ lives, the cost and importance of the dispute are much lower than in the case of inhabited disputed territory. This gives a cost-effective opportunity for the states involved to use the dispute as bargaining leverage or to gain domestic support.

Samuel Huntington, an American political scientist, introduced his theory of the “clash of civilization” in the 1990s. According to this controversial theory the underlying causes for all conflicts is tension between different cultures. To this day his theory remains controversial and has been criticised as simplifying the complexity of conflicts by not paying enough attention to economic pressure and intra-cultural tensions. Disputes between China and Japan, however, can be seen as a situation where this “clash of civilizations” could actually bring some answers and some researchers argue that there might be something there, “that cultural conflicts that transcend the conflicts brewed so often in history by bellicose nationalism”, as John Andrews (2015, p. 5) put it.

History plays a large role in maintaining conflicts and disputes in East Asia, more so than in any other region in the world. After the Second World War Japan managed to keep a lid on simmering negative relations with neighbouring countries. It can be said that the historic disagreements between China and Japan started again from the controversial textbook reform in 1982. These issues were simmering under the surface, but were not brought up as the clear reason for disagreements.

In June 1982, the Japanese Ministry of Education reformed school textbooks, which adjusting the language led to a controversy due to the minimizing Japan’s role in its role

of Japan's wartime past, such as the massacre of Nanjing and atrocities in Okinawa as well as South Korea and other Asian countries. The Ministry of Education announced the results of its 1981-1982 textbook screening in June of 1982 (Ministry of Foreign Affairs of Japan, 1982). When major Japanese newspapers reported that descriptions of Japanese wartime atrocities in Asian countries and Okinawa had been watered down, the story was quickly picked up elsewhere (Selden, Nozaki, 2009). Widespread international backlash of Japanese revisionism centred on nations that had been most affected by Japanese colonialism and invasion. In July 1982 both the Republic of Korea (South Korea) and the People's Republic of China lodged official protests with the Japanese government, and labour unions and social action groups in Hong Kong sent letters of complaint to the Japanese Consulate. The official party newspaper of the Democratic People's Republic of Korea (North Korea) criticized the Japanese government and the Vietnamese government asked the Japanese ambassador for corrections concerning mentions of Vietnam (Selden & Nozaki, 2009).

The Japanese government sought to limit the diplomatic damage. In August 1982, Chief Cabinet Secretary Miyazawa Kiichi stated that Japan would consider fully the criticisms of its Asian neighbours in order to promote friendship and referred to "making a correction on government responsibility" (Ministry of Foreign Affairs of Japan, 1982). The Miyazawa statement did not specify what measures the government would take, but the South Korean government nevertheless accepted it. The Chinese government initially insisted that it was insufficient guarantee against future revisionism in textbook screening, but eventually it too accepted Japanese pledges to make appropriate corrections. In October, the Ministry of Education added a clause (the so-called *Kinrin shokoku joko*, Neighbouring Countries Clause) to the screening criteria, requiring that textbooks give "necessary consideration, in the interest of international friendship and cooperation," to the modern and contemporary history of relations between Japan and its Asian neighbours. The Ministry of Education also noted that it would no longer require authors to replace the term "aggression" with "advance" in referring to Japan's war in China, or to add phrasing suggesting that the Nanjing Massacre occurred as a result of momentary chaos – issues that had aroused particular outrage in China. With respect to references to the number of victims of the Nanjing Massacre, the Ministry of Education announced it would only ask authors to provide citations indicating the source of

estimates. At this juncture, the Education Minister held a press conference to “[officially] close the textbook controversy” (Ministry of Foreign Affairs of Japan, 1982). The settlement left the administrative structure of the Ministry of Education and its nationalist orientation untouched.

Andrews (2015) argues that four main freedoms that define democracy, free speech, free assembly, free elections and an independent judiciary, might not be as effective at deterring violence as it might seem. In theory, the democratic pillars of freedom seem adequate for not only bringing peace but also keeping the peace. In practice, Andrews argues, these pillars of freedom often fail, possibly leading to even more violence and conflicts than they previously deterred. Even the United States, claiming to be the world's oldest continuous democracy, has often had to fend off nationalists that turn to terrorism and violence instead of democratic means to solve disputes and differences. This is also true in Japan. In the 1970s and 1980s a Japanese communist militant group, the Japanese Red Army, carried out numerous acts of terrorism both nationally and internationally. The most notorious terrorist attack in Japan was carried out in 1995 by Aum Shinrikyo, a nationalistic cult that attacked the Tokyo subway with sarin gas, leaving 12 dead and over 4000 injured (Council of Foreign Relations, 2012).

It can be argued that although the Senkaku Islands dispute has been and could even more effectively be used by actors in domestic politics as a “rally-around-the-flag” strategy, it has this far in history been used more effectively by ultranationalist groups to further their own agenda and push politicians to even escalate the dispute. Although Japan can be said to have benefited in domestic politics from an unresolved dispute, the risks of escalation and previous attempts of escalations by ultranationalist groups have dimmed the benefits greatly.

5.2. TERRITORIAL DISPUTES AS BARGAINING LEVERAGE

When territorial issues first arise, the challenger state or group needs to make a claim in order to change the current status quo. In the case of the Senkaku Islands, China is the challenger state, since Japan has official authority over the Senkaku Islands at the moment. However, the wish to change the status quo is in fact not always the main agenda

of a territorial claim. In territorial disputes settled peacefully between 1815 and 1981, the majority of cases were settled in exchange for things other than the disputed territory, for example ODA, political support, alliances in both security and military aid, diplomacy and trade relations (Wiegand, 2011). It can be argued that states do not in fact argue over the territory in question, but use it in order to gain leverage on other mutual issues. This is also something to take into consideration when studying the settlement of territorial disputes. The repercussions of giving in to territorial claims may be much more complex than just losing the territory disputed; there might be domestic backlash and loss of authority, other states may see settlements as leniency in disputes, making it harder for the settling state to stay firm in future disputes.

The theory of bargaining leverage suggests that the challenging state can use one territorial dispute to sway or compensate in other disputes, not only territorial. This theory also explains the longevity of territorial disputes, since other disputes influence the strategy of territorial disputes and therefore a lack of settlement in one can often be the reason for territorial disputes not being settled quicker. In a study on peaceful territorial changes “one could argue that some disputes are actually about nonterritorial issues, but are politically manipulated to appear that way” (Wiegand, 2011, p. 43).

It can be argued that states caught up in territorial disputes may in fact benefit from *not* pursuing an active solution, but rather benefit from the endurance of the dispute. The states involved might use the territory dispute over time as leverage and therefore actually gain more from keeping a dispute active.

As can be seen in the chapter on the Senkaku Islands dispute history, Japan has managed to use the Senkaku Islands dispute as a bargaining chip with China both in trade negotiations and diplomatic negotiations. In situations where China has risen its voice on the claim of the Senkaku Islands, Japan has successfully managed to dampen the escalation or active claims by China by pursuing diplomatic or trade negotiations on other issues, swerving the mentions of the dispute. Although Japan could be said to be in a disadvantage when it comes to using the Senkaku Islands as bargaining leverage because they do in fact not consider the Senkaku Islands disputed at all, Japan has still managed to turn tables on negotiations of the Senkaku Islands on other topics. The PFT negotiations between China and Japan are a great example of how diplomatic negotiations can be

swayed by using the territorial disputes as bargaining leverage. Japan managed to negotiate leaving the entire dispute out of the PFT negotiations and using *not* negotiating on the dispute as bargaining leverage against China instead of the conventional way of bargaining for peace or the acclamation of territory.

5.3. KEEPING THE UNITED STATES AS A CLOSE ALLY

The United States have a number of allies in East and Southeast Asia. Many Asian nations have continuously increased their defence budgets and defence alliances, mainly due to a very quick-tempered China, that already before increases in their defence was one of the world's largest military powers. Due to this, countries such as Japan, the Philippines, Taiwan, Indonesia and Singapore see their alliance with the United States as a form of security guarantee against a possible threat from China. There are very few, if any, regional defence alliances in East and Southeast Asia, mainly due to a very divided history between the nations (Andrews, 2015).

During the Obama administration, the United States has actively shifted its foreign policy towards Asia. The United States has had a strong role in East Asia and the Asia Pacific ever since the end of World War II. As a strong security partner with regional powers such as Japan and South Korea, the US interest in the area is keeping China on its toes. The United States has made it a priority to strengthen its political, economic and security role in the area, which makes China's role in the area even more insecure. The heightened US role and close cooperation with especially Japan has made it harder for the United States and China to keep their bilateral relations without strain.

There is a saying in China that the United States has their Pearl Harbour and 9/11, but China has their 1999. This saying stems from the widely popular view in China that a bombing by the United States of the Embassy of China in Belgrade in 1999 as a part of NATO's air raid over Serbia was intentional and was done to send a message to China that the United States will continue dominating the security aspects in East Asia (Ratner, 2013).

China has at numerous occasions blamed the United States for fanning the flames of conflicts in East Asia. In 2012 China's Vice Foreign Minister Fu Ying expressed China's concerns as well as mentioned that the presence of the United States in East Asia and the Asia-Pacific has also had a positive effect:

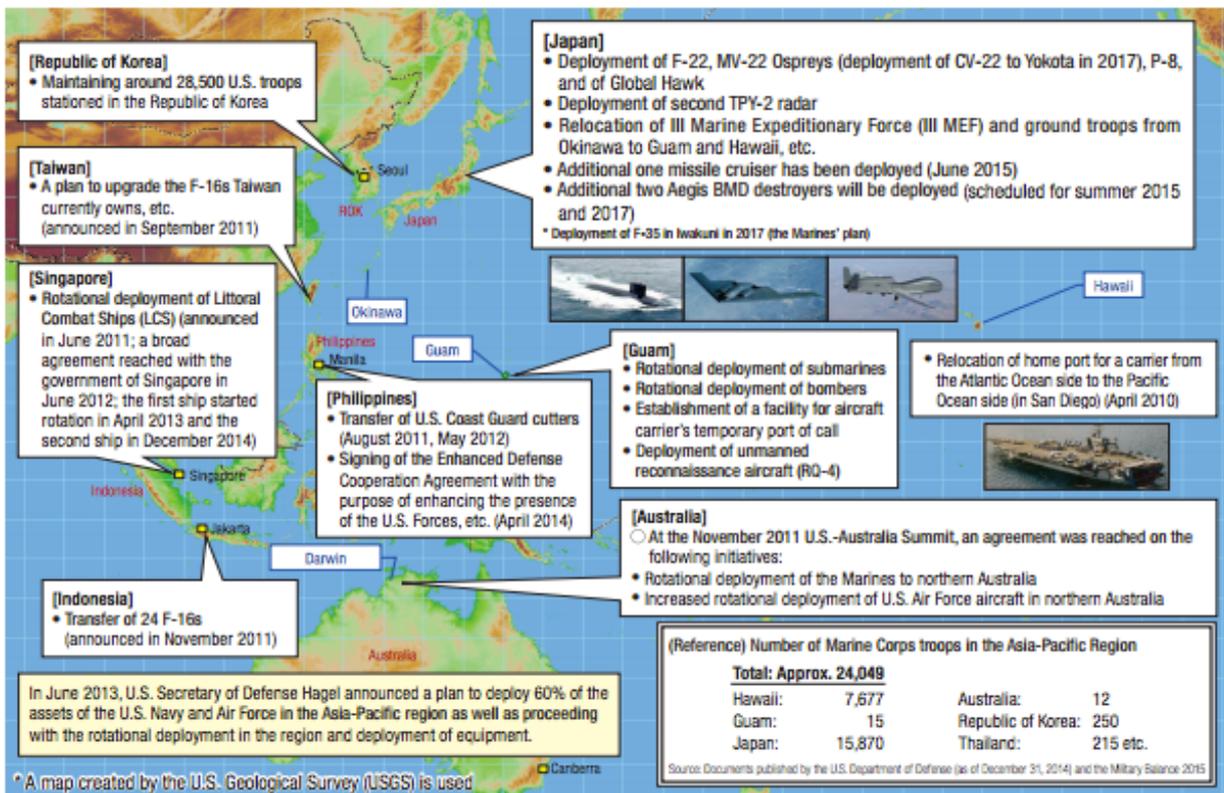
“As a country known for strategic vision, it's only natural that the US wants to engage more with the region. [...] The US has always had a continuous presence in the region. One can hardly recall an important period in the past decades when the US was absent from the region. China has no problem accepting the US presence and its positive influence [...] An important part of China's effort to build a peaceful and cooperative external environment is to maintain overall cooperation with the US. On the other hand, there is growing concern coming from media and academics in China over the US heavy emphasis on security agenda in the region. I notice that the same concern is also heard in other Asian countries as well” (Suthichai, 2012).

The enforced US military presence in the area, the plan for new potential operating locations as well as new security relations with possible additional partners in the area made China view the US security policy in the area as excluding China and creating a rift between China and the rest of East and Southeast Asia. During a visit to Tokyo in 2012, Panetta also urged China's neighbouring countries to stay calm and not “engage in ‘provocative behavior’ over dispute islands and maritime claims, warning that it could escalate into a regional conflict that might draw in the U.S.” (Lai, 2013, p. 49).

The United States' rebalancing of Asia has continued to create friction between the two superpowers. China has at different occasions brought up the interest for renewed relations between China and the United States and the importance to review the type of relations that are currently present. The current main topic of US-China relations is heavily focused on security and military aspects. The key to lasting and stable relations might in fact lie in economic or political relations at first, to secure a stronger mutual cooperation in those areas would also benefit in security and military issues between the two countries.

The strained relations between China and the United States have in fact benefited Japan in various ways. Through their mutual Security Treaty (See appendix VI) Japan is the United States' strongest ally in the Asia-Pacific region. Changing geopolitical situations

in the world bring insecurity to the region, especially through political changes in the United States. During the presidential elections in the United States in 2016, President Donald Trump made comments about weakening the security agreement, alarming Japan (Johnson, 2016). An active dispute in the area would force the United States to have a strong presence in Japan, thus ensuring Japan’s security. Since China is still viewed as a potential threat to the United States, as long as the Senkaku Islands dispute is not resolved, the United States is forced to maintain a strong military presence in the area to secure Japan. As Koo puts it, “through its alliance and commitment to defend Japan, the U.S. has allowed Japan to avoid direct confrontation with China, thus ensuing certain confines” (Koo, 2010, p.8). Since most East Asian territorial disputes have developed due to the San Francisco Peace Treaty (See Appendix IV), it is clear that they all also involve



the United States to varying degrees.

United States’ National Security Strategy (NSS) maintains that the United States would continue to advance its rebalance to Asia and the Pacific. As indicated by the Defence Strategic Guidance, the US Quadrennial Defence Review (QDR) and the NSS, the United States emphasises its foreign policy on the Asia-Pacific region and the United States’ stronger presence.

Table 4.1. United States military forces in East and Southeast Asia (Defence White Paper, 2015)

In November 2011 President Obama stated in a speech to the Australian Parliament, that the Asia-Pacific region was the United States' top priority regarding foreign policy and security. The United States would continue as a strong presence in both the Republic of Korea (South Korea) as well as Japan, and focus on updating and enhancing previous security agreements and policies with allied countries in the Asia-Pacific region. The US Defence forces in East Asia would be redistributed within the allied countries in order to build "a more geographically distributed, operationally resilient and politically sustainable military presence" (Ministry of Defence, 2015, p. 9).

As long as China can be counted as an unstable power in the region, the United States cannot actively weaken their role in the region. The possible nuclear threat from the People's Democratic Republic of Korea (North Korea) in 2017 has also raised the stakes of the United States in the area. Japan clearly benefits from the close ally and as long as there is an unresolved dispute between Japan and China, the United States will stay a strong ally and presence in the region.

5.3.1. THE THREAT OF CHINA

China is the most populous state in the world, as well as the world's biggest economy, when based on purchasing-power parity. In a military sense, China is also a force to be reckoned with. According to the FBI China is well equipped in the skill of cyber-warfare as well as having a strong military. The People's Liberation Army (PLA), has almost 2.5 million frontline personnel, with an additional 2.3 million strong active reserve. China is also a nation with nuclear weapons, as well as a permanent seat on the United Nations' Security Council, giving China tremendous power in the international community (Andrews, 2015). China has always had a view on foreign policy that no state should meddle and interfere in another state's internal affairs.

China has a long and in many ways traumatic history, filled with violence, wars and oppression. China is one of the last standing socialist states in the world, ruled by a

president chosen by what the Chinese themselves call “the dictatorship of the people”. China uses a one-party system where the socialist party, the Communist Party of China (CPC), is the only political party. The Party and the country is ruled by the working class and is based on the union of the Chinese people, regardless of class or background. (Mykkänen, 2007) The Chinese government is constantly challenged by globalization and the economic development within the country to keep the system of “socialism with Chinese characteristics” alive, resulting in what seems to be a slow but steady shift to “Chinese tradition with socialist characteristics” instead. (Kallio, 2011)

China faces a complicated geopolitical situation by nature. At Wanshou Forum 2017, the Deputy Principal of the University of International Relations of Beijing, Sun Zhiming explained that the Chinese culture teaches that “harmony is most precious”, which China also tries to bring forth in their own security agenda. This is the active attitude of China on how to meet conflicts and security contradictions through policies. China agrees that in this globalized world internal and external security policies cannot be held apart anymore, but needs to mutually compliment the security work both within and outside the state. In China, national interests and national security also influence the security of the international community. China also notes that one of the issues is different concepts of security. China stands by the notion that preserving and maintaining national security of any state needs to be admitted and respected, of course not without reason, however pursuit of self-security should be of utmost importance (Sun, personal communication, March 1, 2017).

China still struggles to rid itself of the negative stamp of a “strong China” equalling an unstable threat to international security, falling into Cold War stereotypes and hegemonic politics. Unfortunately, Chinese actions of security policy does not seem to support the aims and nature of China’s international security policies on paper (Sun, personal communication, March 1, 2017).

The current Chinese President Xi Jinping has taken a more proactive approach to foreign policy and security policy. China focuses strongly on the philosophy of harmony, to create a world shared by all based on peace, cooperation and common prosperity. (Kallio, 2016) According to the Chinese Foreign minister Wang Yi: “a new type of

international relations is aimed at replacing confrontation with cooperation, and exclusiveness with win-win cooperation.” (Kallio, 2016, p. 4)

In 2015, Xi announced in various UN summits that China initiates that the international community should build “the commonwealth of the destiny of humankind” (Kallio, 2016, p. 5). China called for establishing new partnerships based on mutual understanding, since according to China, current global governments face challenges where what China calls “old governments” cannot fit and adapt to “new governments” and the changing global situation. This struggle leads to the need to build on a community of shared mind, kind and destiny (Sun, personal communication, March 1, 2017).

In 2017 Xi has actively asked for systematic elaboration of Chinese security policies for the international community to show how states could jointly build a shared world of security and unity. Xi also noted that there is no Shangri la in the world with perfect security, since in the globalized world threats to any state threaten other states as well, which China has brought up by asking for a stronger “help thy neighbour”-mentality. China has been criticized for talking the talk and not walking the walk. The clear contradiction between the official policies and the actions taken by China, especially in regard to territorial disputes in South China Sea, has been criticized by neighbouring countries as well as international players (Sun, personal communication, March 1, 2017).

China’s policies are mainly based on nationalism. In national politics China often portrays itself as a challenger to the “US hegemony” in the world. President Xi’s new era of foreign policy is also grandiloquently and ostentatiously portrayed as a purely Chinese politico-philosophical tradition, a completely new type of foreign policy. However, “the Chinese-ness is often no more than an edifice that it has been necessary to erect in order to make the ideas behind it look homegrown” (Kallio, 2016, p. 7). This clearly shows how national politics are still the main driving force behind China’s foreign policy.

During Wanshou Forum 2017, Gao Zugui delivered a speech on the current security situation in the world and its implications. During his speech, Gao clarified China’s thoughts and policies on security now as well as in the future. China views the world as a peaceful place, since no major wars between states are taking place (Gao, personal communication, March 2, 2017). However, this is a very narrow view on security, since in today’s world most conflicts are in fact intra-state conflicts or expand beyond

state borders. Gao explained that a decade ago developed countries were seen as prosperous and secure, but now advanced Western countries are faced with problems and insecurities.

The United States face insecurities and vast changes due to the election of President Donald Trump, whereas the European Union struggles with the aftermath of the Brexit vote, upcoming elections in major countries as well as the rise of populism and nationalism. According to Gao, China views the world security uncertainty as due to Western trade protectionism, exclusion of immigrants and increase in military and defence expenditure. China views that there is not enough global governance at this time, due to the insecurity of Western powers. China has often expressed their willingness to help and step up in global governance, at least until Western powers solve their internal problems. China has raised the issue of increased military and defence expenditure: when more resources are allocated to the military, how will the Western powers afford combating environmental issues and the refugee crisis? This is one of the arguments China uses to claim a larger part of global governance. China sees itself as an underused player in the international community, with great interest in larger roles in conflict prevention and international cooperation. However, this is not always greeted warmly, especially by neighbouring countries. The territorial dispute in the South China Sea is one of the largest security struggles in Asia today.

The Chinese economic rise combined with their often aggressive and self-centred foreign policy has led to the term “China Threat”. American authors, such as Richard Bernstein, Ross Munro and Samuel Huntington among others, have painted a threatening picture of China’s rise to superpower status. Huntington, for instance, has brought up the idea of the two main threats of the United States, China and the Islamic world, joining forces to take down the Western world. Huntington’s theories have been greatly criticized, and China itself has stated that any development is at its core peaceful and unifying (Mykkänen, 2007).

China is actively trying to advocate for an attitude change of Chinese foreign policy and security policy. Gao stated at Wanshou Forum 2017, that China loudly claims that the Chinese security policy has always been focused on human security, it is just disregarded by Western countries due to differences in how the terminology is understood. China’s

actions can be said to often be quite the opposite of what their official policies mention, which creates a rift between neighbouring countries and brings out uncertainty and distrust in the international community against China. Whether the Chinese security agenda is contradictory to China's actions can be debated, however, as long as there are unresolved disputes, issues based on history as well as sabre-rattling power plays in East and Southeast Asia on China's behalf, China will continue to be viewed as a threat by the international community and neighbouring countries.

It is argued that as long as China is committed to reform and focus on economic development, they should be more actively welcomed into the international community, since economic changes would in turn lead to gradual transformation of a more open and liberal state. "As China becomes more prosperous it is argued its emerging middle class will demand more political freedom and a greater degree of participation in the decision making process." (Heijmans, Simmonds, & van de Veen, 2004, p. 185) This in turn would lead to growing security not just in the area but the entire world.

According to Li Qin, Deputy Director-General of Chongqing Foreign and Overseas Chinese Affairs Office, China still struggles against discrimination in the international order and is largely misunderstood. According to many East and Southeast Asian scholars, colonial powers have created problems in the past and are still leading reasons for regional conflicts in the area, which is why colonial powers should make a larger effort to contribute more to current conflicts, not just reap benefits and turn a blind eye (Li, personal communication, March 6, 2017). Li proclaims that most colonial powers still rely on blatant intervention in other countries internal affairs, as can be seen in the Middle East, under pretext of humanitarianism. The truth is, according to Li, that colonial powers have failed in their attempts to meddle with others' internal affairs. Li's ideas are quite contradictory. It has been criticised that many post-colonial states are expecting more from the colonial powers on conflicts in and between other states, however, when it comes to intervention in their own internal policies, the post-colonial states refuse any help from colonial powers.

According to researcher Rex Li (Heijmans et al., 2004) a great power's behaviour is largely determined by its capabilities and not so much on its' intentions. The stronger a state grows, the more power it gains in the international community. Many international

relations scholars have stated, that the rise of a new superpower is always a possible threat of instability and conflicts, merely because it is very rare for a superpower to grow into a vacuum where a new superpower is needed, so any new superpower always brings along some degree of power play. China's rise to superpowerdom is no exception. As Li explains, "big countries are more likely to be difficult to live with if they have a strong sense of cultural superiority or historical grievances about their treatment by the rest of the world. China is widely known as a dissatisfied and non-status quo power seeking to right the wrongs of its humiliating history and alter the existing rules of the international system – rules in its view created and dictated by the west" (Heijmans et al., 2004, p. 184).

Wu Chunsi, Associate Researcher Director of the Institute for International Strategic Studies informs that more and more countries increase their military spending, mostly due to cooperation not being at a stable base in interstate relations, as well as due to general suspicion. (Wu, personal communication, March 6, 2017). China's official policy is not to engage in an arms race based on what other states do, but base their military spending trends purely on national interests. During an annual session of the National People's Congress in Beijing in March 2017, China announced a growth of 7 percent in their defence spending. "The majority of the defence budget will be spent on deepening national defence and military reforms, bolstering military and civilian integration, and improving the living, training and working conditions for service personnel at grass-root levels", an official told the Shanghai Daily (Xinhua, 2017). This growth in defence expenditure is the slowest in China in over a decade, accounting only for 1.3 percent of China's GDP, in contrast to NATO members' pledge of 2 percent of their respective GDP for defence expenditure.

In general, China has always strongly stuck to the philosophy that any policy, whether on foreign policy or national issues, should not be meddled in argues Pei Zhang, the Deputy Director of the Institute for Global Governance Studies (Pei, personal communication, March 6, 2017). This thought, however, is also the basis of many of China's territorial disputes. In territorial disputes like for example Taiwan and Tibet, the reason China is not engaging in active resolution practices by the international community is because China views these disputes as internal national disputes and finds any interference by outside forces as a violation of a state's own sovereignty and legitimacy (Pei, personal communication, March 6, 2017).

China has in recent years actively pursued larger cooperation with European countries and the European Union, to lower the tension between superpowers in East Asia. China's relationship to both neighbouring countries as well as the United States are thought to become rockier due largely to territorial disputes, especially in South China Sea. China and Europe has never had any territorial disputes, which China sees as a solid foundation for cooperation. With the current uncertainties regarding Russia's possible threat to Europe as well as the war in Ukraine, China has actively pursued an image of a strong ally against Russia for European states, argues Long Jing, Deputy Director for the Center for European Studies in Shanghai (Long, personal communication, March 6, 2017).

China's growth into a superpower poses a challenge for the United States and Japan, especially to their defence alliance. According to Li (Heijmans et al., 2004) a weaker China would lead to a chaotic China, which in turn would pose a threat to regional security. Economists are also worried about a possible economic disaster that could lead to political unrest within the country. "Should the communist regime fail to maintain the political cohesion of China, internal strife or even civil war may ensue, which could lead to a massive refugee crisis and great power competition for control over the fragmented [state]" (Heijmans et al., 2004, p. 185).

Although President Xi has emphasized the importance of cooperation and harmony in China's new foreign policy approach, it is also clear that China has taken a more engaging and stronger position in territorial disputes, especially concerning maritime territorial disputes. This position has created mistrust in neighbouring countries, namely strengthening the cooperation between Japan and the United States (Sinkkonen, 2016). Unlike other regional states, China has no military alliances. The United States have numerous military bases in Japan, South Korea and the Philippines, making any altercations in East Asia of higher stakes, since any escalation would pin China directly against the United States. The US-Japan security alliance is a double-edged sword for China. On one hand China sees the US-Japan alliance as an attempt on power play in the area to increase US influence in East and Southeast Asia, but on the other hand China also views the United States as a balancing force that keeps Japan in check to prevent any independent military defence system developments by Japan (Sinkkonen, 2016). China still views the US-Japan security alliance as a crucial factor in regional security as well as China's national security (Ross, 1996).

Li (Heijmans et al., 2004) explains that from Japan's perspective China's strength or weakness is something that immensely affects Japan. A rich China with a strong military might pose a threat to regional security and Japan's security, however, an economically and politically weak China would also threaten regional security and create instability.

At least China has made it clear in their rhetoric that although their military powers keep developing, neighbouring countries will only benefit from this growth. In 2014, President Xi announced that China will settle all territorial disputes in peaceful manners: "China stays committed to seeking peaceful settlement of disputes with other countries over territorial sovereignty and maritime rights and interests." (Andrews, 2015, p. 235). Xi's rhetoric is meant to confirm to the international community and neighbouring countries that China is committed to their philosophy that no country should interfere in another country's internal affairs. However, as mentioned earlier, since China tends to view many of their territorial disputes as China's internal affairs, these disputes are not part of the one's Xi vows to settle peacefully and requests no international interference in these disputes.

Out of the four benefits Japan has gained from an ongoing territorial dispute with China, the strengthening of the United States' presence in the region is by far the most important to Japan. Since the United States and China are still in many ways opposing superpowers, even though mutual cooperation has gained interest in recent times, it is crucial for the United States to keep strong allies in the area. Ever since the Cold War Japan has been the strongest US ally to keep China in check and this is something that will not change. As long as there is an enduring dispute between China and Japan, Japan can rest assure that the United States will stay an active and dependable ally in the future.

5.4. RELATIONS TO OTHER DISPUTES

Both Japan and China are at the moment in the middle of numerous territorial island disputes with a number of other states. This has a very strong effect on how both states deal with the Senkaku Islands dispute. Leniency in one dispute might negatively affect

other ongoing disputes, which means that from a foreign policy stance all island disputes are interconnected, regardless of how weak or strong the individual claims are.

Most island disputes in East and Southeast Asia appertain to the UN Convention on the Law of the Sea (UNCLOS) which allows states to proclaim EEZ's (Exclusive Economic Zones) of 200 nautical miles around the states' coastlines. The EEZ gives states the right to utilize natural resources from the claimed zones. Overlapping EEZ's are in fact not the core of the issue, but rather questionable sovereignty claims on smaller islands. According to UNCLOS continental states are not allowed to extend their EEZ to cover islands, not to mention archipelagos or strips of sea between mainland and islands. This is most of the time disregarded by states when it comes to island disputes, especially China, that since 1992 has intensified its campaign of claiming territorial waters surrounding disputed islands in contradiction with UNCLOS (van der Velde, 1998).

Other ongoing territorial disputes are the trickiest when it comes to benefits for Japan of the Senkaku Islands dispute. Out of the four benefits analysed, the effect of the Senkaku Islands dispute on other territorial disputes is a double-ended sword. On one hand, staying firm on the issue of the Senkaku Islands, gives a strong claim and send a firm message for issues with other territories. On the other hand, this can create a lockdown situation on all territorial disputes, since a change or compromise on one will automatically affect the others. The other territorial disputes can therefore be seen as a strength or weakness to Japan, depending on the situations and ongoing changes in status quos and sovereignties.

It is crucial for the security of the region to keep the disputes in check and avoid escalation at all cost. Although the disputes might slow down regional cooperation, it does not mean the disputes are necessarily halting the build-up of security in the area. Both China and Japan are striving to be considered as more serious regional and world powers, and in order to do so both countries are actively pursuing closer cooperation with neighbouring countries. This in turn contribute to the overall security and interdependence of the region (Luova & Antikainen-Kokko, 2006).

Moreover, it is also important to note that regional power relationships play a large role in escalation and de-escalation of conflicts and disputes. "It is important to highlight the fact that making or building peace is intimately related to power and politics – the

reality of states and the power wielded by those who make decision in the political and economic spheres. [...] Political leadership in those states come to accept the fact that coercive means and the use of force or state power have their limits and that less adversarial approaches to “conflict sensitive politics” may hold more promise for successful conflict resolution” (Heijmans, 2004, p. 27).

5.4.1. JAPAN’S ONGOING TERRITORIAL DISPUTES

In addition to the Senkaku Islands dispute, Japan has two other ongoing territorial disputes with neighbouring countries.

5.4.1.1. TAKESHIMA / DOKDO

Japan and the Republic of Korea (South Korea) have an ongoing territorial dispute over the Liancourt Rocks, known as Takeshima in Japan and Dokdo in the Republic of Korea. Takeshima is a group of rocks situated 200 km east of the Republic of Korea and 200 km north of the Japanese island of Honshu in the Sea of Japan. The total land area of Takeshima is 23 hectares and it is impossible to reach the islets with anything else than a small boat in calm weather conditions (Swanström, 2005). The Republic of Korea is currently holding sovereignty of the disputed islands; however, Japan regards it as an illegal occupation with no basis in international law. Japan has made it clear there is no intention of letting go of the dispute, however, Japan will not take any hostile action against the Republic of Korea regarding any actions of Takeshima (Wiegand, 2011). The Republic of Korea does not agree a territorial dispute exists and has made it clear that Japan’s claim on Takeshima is a clear barrier to developing closer bilateral relations in both trade and diplomacy (Koo, 2010).

The Republic of Korea argues that Takeshima is part of the territories “Japan has taken by violence and greed” referred to in the Cairo Declaration (See Appendix II). Japan claims that sovereignty over Takeshima was already established in the 17th century, officially reaffirmed in 1905, much in the same way as with the Senkaku Islands, with no objections from the Republic of Korea, therefore Takeshima should not fall under the territories mentioned in the Cairo Declaration. Japan claims that Takeshima has been part

of Japan since the Russo-Japanese War in 1905, five years before Japan annexed the Korean Empire. Japan has in fact been pushing for judicial settlement of the Takeshima dispute. (Koo, 2010). There are no official inhabitants of Takeshima, however, both the Republic of Korea and Japan regularly send coast guards to the islets and the surrounding areas as diplomatic protests. It has been speculated that one reason why Japan is not aggressively pursuing an end to the Takeshima dispute is based in a feeling of guilt because of Japan's annexation of the Korean peninsula and war crimes following the annexation (Swanström, 2005).

Since the Takeshima dispute is in many ways very similar to the Senkaku Islands dispute, it would be detrimental to Japan's claim if any compromise on claims of the Senkaku Islands were made. The reasoning is the same behind most claims, focusing on the Cairo Declaration and San Francisco Peace Treaty.

There have been some minor escalations throughout the years, mainly resulting from resource competition, geopolitical changes and nationalistic agendas. On the other hand, Japan's and the Republic of Korea's strong economic interdependence and diplomatic ties has kept the dispute under control (Koo, 2010).

5.4.1.2. CHISIMA RETTOO / KURILE ISLANDS

Japan and Russia have an ongoing territorial dispute concerning four islands at the southern tip of Russia's Kurile Island chain, only a few kilometres north of Hokkaido, Japan (Lai, 2013).

To this day, Japan and Russia have not managed to resolve their territorial dispute concerning Chisima Rettoo. The area disputed, Chisima Rettoo (the Northern Territories) as referred to by Japan, and the South Kuriles as referred by Russia includes the Habomai group of islets, as well as the islands of Shikotan, Kunashiri and Etorofu. The islands were claimed by the Soviet Union after the Second World War as part of the San Francisco Peace Treaty (See Appendix IV), and since then the Japanese government has made it clear any official peace treaty with Russia will not be concluded before the islands are returned to Japan. This territorial dispute regarding Chisima Rettoo has been officially recognized as

a dispute by both Russia and Japan (Swanström, 2005). Although the United States support Japan's claim on the islands, the US has made it clear that their mutual Security Treaty (See Appendix VI) does in fact not cover Chisima Rettoo. Russia has offered to split the four islands and grant Japan sovereignty over two of them, however, Japan has made it clear they only accept all four islands. Japan does unfortunately not have a very strong point of bargaining leverage over Russia (Lai, 2013).

Compared to the Senkaku islands dispute, Japan is at a disadvantage in the Chisima Rettoo dispute, because Russia does in fact have current control of the area. As stated earlier in regard to the Senkaku islands, when it comes to a final claim on a disputed territory, the longer a state has sovereignty over the disputed territory, the stronger the state's claim becomes. Therefore, Japan keeps bringing up the Chisima Rettoo dispute in any diplomatic setting with Russia (Swanström, 2005).

There have been numerous failed settlement attempts throughout the years. What makes the Chisima Rettoo dispute different from other territorial disputes in the area is that the islands are actually inhabited. This is the only territorial dispute in the area that involves citizens of the disputing states. (Wiegand, 2011)

Japan has a much more aggressive stance on the Chisima Rettoo dispute compared to for example the Takeshima issue, mainly because of history. Russia seized and occupied the Japanese Northern Territories in 1945, which violated the Japan-USSR Neutrality Treaty, resulting in over 600 000 Japanese prisoners of war being sent to Siberia after the Second World War. There is not the same feeling of guilt against Russia as Japan might portray towards the Republic of Korea.

5.4.2. CHINA'S ONGOING TERRITORIAL DISPUTES

China has two ongoing territorial disputes in East Asia and Asia Pacific. On top of these two there are territorial disputes with other states and inland, such as for example Tibet. "China is also involved in a dispute with India over the Aksai Chin border region in the Himalayas, claims most of the Indian state of Arunachal Pradesh and has an ill-defined border with Bhutan" (Andrews, 2015, p. 233). The other two maritime territorial disputes

China is involved in are of a completely different calibre than the Senkaku Islands dispute. One of the disputes is the independence and legitimacy of Taiwan, also known as the Republic of China, compared to the People’s Republic of China (mainland China). On top of the Taiwan territorial dispute China is also involved in a major maritime territorial dispute in South China Sea.

5.4.2.1. SOUTH CHINA SEA

China’s most major dispute in East and Southeast Asia is the territorial dispute in the South China Sea. The South China Sea stretches from the Karimata Strait between the Islands of Sumatra and Borneo in Indonesia to the Strait of Taiwan. There are hundreds of small islands and reefs in the area, mostly located in the Paracel and Spratly archipelagos. The territorial dispute came about in the same way as other disputes in the region; colonial powers and occupying forces after the Second World War failed to distinguish in detail to whom the occupied territories were to be reverted and from whom (Lai, 2013). At the moment, the islands in the South China Sea are divided as follows:

The Pratas Islands are completely occupied by Taiwan, but claimed by China. The Paracel Islands are mostly occupied by China, but claimed by Vietnam. The Macclesfield Bank and the Scarborough Shoal are disputed among China, Taiwan and the Philippines, The Spratly Islands are disputed among China, Taiwan, the Philippines, Vietnam, Malaysia and Brunei (Lai, 2013).

China has claimed that the United States encourages other dispute parties to more actively and aggressively challenge China and strengthen their claim of the disputed islands, which has led to China actively trying to keep the United States outside the scope of the dispute (Ratner, 2013).

There is one major difference between the dispute in the South China Sea and other territorial disputes in the region: the Philippines took the dispute to a tribunal by the Permanent Court of Arbitration (PCA) in the Hague in 2016. The tribunal did in fact not adjudicate on sovereignty, as is most often the case, since adjudication on sovereignty requires the agreement of both parties and China did not grant their agreement. The

Philippines won the tribunal which found China's claims on historic grounds to be without legal basis. Whether this has any real-life implications to China remains to be seen (Graham, 2016).

China has always had a very assertive and determined stance when it comes to territorial disputes and protecting China's claimed sovereignty. Therefore, it is extremely important for Japan not to compromise on territorial disputes in order to keep the upper hand when it comes to the Senkaku Islands dispute. The loss in PCA to the Philippines was a major blow for China, since it also took away legitimacy of China's territorial dispute with Japan. This way Japan gained not only legitimacy but also strength and control over the claims of the Senkaku Islands, further weakening China's claim. This way other territorial disputes can affect the Senkaku Islands dispute in Japan's presence, even when Japan is not involved in the South China Sea dispute.

6. CONCLUSION

The Senkaku Islands dispute has been enduring for decades with no end in sight. During the dispute, there has never even been an attempt at resolution between the dispute parties, let alone even an official acknowledgement whether or not the Senkaku Islands even are disputed. The benefit from the actual islands is still undetermined, but there has been research into possible oil and natural gas reservoirs in the area of the disputed islands. The economic gain of the Senkaku Islands is one of the major reasons why China claims the islands. Other than the economic gain the territorial value is nationalistic and symbolic, as are most disputed territories in East and Southeast Asia. Due to a long lasting resentment from neighbouring countries about Japan's wartime past and poorly handled retribution, any territorial dispute and dispute escalation in the area can easily be blown out of proportion.

Since Japan holds the sovereignty of the Senkaku Islands, there is no rush or interest from Japan's side to focus on the issue any further. Although Japan does not seem to be interested in actively pursuing a resolution to the dispute, Japan has managed to benefit from the dispute nonetheless.

There are four major ways in which Japan has turned the Senkaku Islands dispute into a beneficial situation for diplomacy. According to theories on domestic policies, territorial disputes can actively be harnessed into "rally-around-the-flag" strategies and to gain domestic accountability in national politics. Apart from politicians also ultranationalist groups have managed to gain influence through the dispute. Since the cost of the dispute is quite low, it is easy for domestic politicians to use the dispute to gain national pride, domestic interest and nationalistic political agendas.

The Senkaku Islands dispute can also be used as bargaining leverage, which Japan has managed to do, even if it is much harder for the non-claimant to use a dispute for bargaining leverage. The best example of this is the PFT negotiations between China and Japan, where Japan managed to use the escalated Senkaku Islands dispute as bargaining leverage, even if Japan has to this day not even acknowledged that the Senkaku Islands even would be a dispute. In Japan's eyes, there is no dispute whatsoever.

The United States is Japan's most important ally and also an important stabilizing power in the East Asian region. With changing geopolitics and US national politics, the strong presence of the United States in East and Southeast Asia has sometimes been questioned. This is the main importance Japan has gained from the enduring territorial dispute with China: as long as China stays a volatile, unpredictable military superpower in the region, Japan can count on the United States to stay a strong and present ally to balance out China's power politics. Japan can rest easy knowing that as long as there is even the smallest threat of military escalation in the region, the United States will stay their strong ally regardless of their national political changes.

The last and most complicated benefit for Japan from the Senkaku Islands dispute is the effect of the dispute on other territorial disputes in the region. As long as the status quo stays unchanged and Japan does not compromise on their claim and sovereignty of the Senkaku Islands, they will also keep a strong image when it comes to the other territorial disputes. By keeping the status quo of the Senkaku Islands and not even officially acknowledge it as a dispute, Japan sends a strong message on how the state handles territorial disputes, strengthening their claim in other disputes. However, this can also backfire. Although Japan has managed to benefit from the Senkaku Islands dispute this far, even the slightest change in the dispute can weaken Japan's stance on other territorial issues. In the same way, any changes in other territorial disputes might weaken Japan's claim on the Senkaku Islands, since most of the territorial disputes in the area are interlinked or have very similar claims.

All in all, Japan has managed to turn a dispute into a lucrative asset in diplomacy. As discussed in the peace theory section, striving for peace is most of the time seen as the ultimate goal. However, when it comes to low-cost territorial disputes with little or no reason for actual military escalation, a final resolution and dispute settlement might in fact be less lucrative for a specific dispute party. Through my research, I have found this to be true when it comes to Japan and the Senkaku Islands dispute. Although this particular territorial dispute, with these particular dispute parties can be seen to be more beneficial to Japan than pursuing an ultimate end to the dispute, it is not something that can be universally applied to any territorial dispute. In conclusion, whether or not peace is always the best answer depends much on what dispute parties are looking for. In specific cases with low risk factors and semi-mutual goals of no conflict escalation, one

could say peace is not the best option and that unresolved disputes might be more beneficial for states in the end. Peace as an ultimate goal is complex, it is vague enough to be easily interpreted in new ways when needed, but still clear enough to be able to work as a clear goal. Benefits from disputes can be lucrative for a state, however, in the case of the Senkaku Islands the same benefits could be achieved by using other territorial disputes or other means.

The Senkaku Islands dispute is a very typical East Asian territorial dispute: it has grown from a post-colonial world order after the Second World War, grown through changes in the regions power dynamics and stayed unresolved mainly because the lack of importance for a final resolution. The enduring territorial dispute of the Senkaku Islands has granted Japan four major areas of benefits: a tool for gaining domestic popularity in politics and further nationalistic agendas; bargaining leverage in diplomatic and economic relations; a stronger security alliance with the United States to balance the overall security situation in East Asia; and a comparison point for other territorial disputes in the East Asian region.

Although Japan can be said to gain benefits from an enduring territorial dispute such as the Senkaku Islands dispute, the benefits are not great enough to diminish the idea of a final dispute resolution. Japan is currently benefiting more from an active dispute than from pushing for a final peaceful resolution, especially since from Japan's point of view there is no dispute and the current status quo and sovereignty favours Japan. That said, the benefits do not negate a possibility for a dispute resolution. Although Japan has managed to benefit from the dispute, the benefits are not important enough to keep the dispute going just because of the gains. It seems Japan has focused on gaining as much positive outcomes from an unresolved dispute as possible, but the gains are not enough to actively pursue keeping the dispute unresolved.

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8. APPENDICES

8.1. APPENDIX I

Treaty of Shimonoseki

Signed at Shimonoseki April 17, 1895

Entered into force May 8, 1895 by the exchange of the instruments of ratification at Chefoo.

His Majesty the Emperor of Japan and His Majesty the Emperor of China, desiring to restore the blessings of peace to their countries and subjects and to remove all cause for future complications, have named as their Plenipotentiaries for the purpose of concluding a Treaty of Peace, that is to say:

His Majesty the Emperor of Japan, Count ITO Hirobumi, Junii, Grand Cross of the Imperial Order of Paulownia, Minister President of State; and Viscount MUTSU Munemitsu, Junii, First Class of the Imperial Order of the Sacred Treasure, Minister of State for Foreign Affairs.

And His Majesty the Emperor of China, LI Hung-chang, Senior Tutor to the Heir Apparent, Senior Grand Secretary of State, Minister Superintendent of Trade for the Northern Ports of China, Viceroy of the province of Chili, and Earl of the First Rank; and LI Ching-fong, Ex-Minister of the Diplomatic Service, of the Second Official Rank:

Who, after having exchanged their full powers, which were found to be in good and proper form, have agreed to the following Articles:

Article I

China recognises definitively the full and complete independence and autonomy of Korea, and, in consequence, the payment of tribute and the performance of ceremonies and formalities by Korea to China, in derogation of such independence and autonomy, shall wholly cease for the future.

Article II

China cedes to Japan in perpetuity and full sovereignty the following territories, together with all fortifications, arsenals, and public property thereon:

(a) The southern portion of the province of Fengtien within the following boundaries:

The line of demarcation begins at the mouth of the River Yalu and ascends that stream to the mouth of the River An-ping, from thence the line runs to Feng-huang, from thence to Hai-cheng, from thence to Ying-kow, forming a line which describes the southern portion of the territory. The places above-named are included in the ceded territory. When the line reaches the River Liao at Ying-kow, it follows the course of the stream to its mouth, where it terminates. The mid-channel of the River Liao shall be taken as the line of demarcation.

This cession also includes all islands appertaining or belonging to the province of Fengtien situated in the eastern portion of the Bay of Liao-tung and the northern portion of the Yellow Sea.

- b) The island of Formosa, together with all islands appertaining or belonging to the said island of Formosa.
- c) The Pescadores Group, that is to say, all islands lying between the 119th and 120th degrees of longitude east of Greenwich and the 23rd and 24th degrees of north latitude.

Article III

The alignment of the frontiers described in the preceding Article, and shown on the annexed map, shall be subject to verification and demarcation on the spot by a Joint Commission of Delimitation, consisting of two or more Japanese and two or more Chinese delegates, to be appointed immediately after the exchange of the ratifications of this Act. In case the boundaries laid down in this Act are found to be defective at any point, either on account of topography or in consideration of good administration, it shall also be the duty of the Delimitation Commission to rectify the same.

The Delimitation Commission will enter upon its duties as soon as possible, and will bring its labours to a conclusion within the period of one year after appointment.

The alignments laid down in this Act shall, however, be maintained until the rectifications of the Delimitation Commission, if any are made, shall have received the approval of the Governments of Japan and China.

Article IV

China agrees to pay to Japan as a war indemnity the sum of 200,000,000 Kuping taels; the said sum to be paid in eight instalments. The first instalment of 50,000,000 taels to be paid within six months, and the second instalment of 50,000,000 to be paid within twelve months, after the exchange of the ratifications of this Act. The remaining sum to be paid in six equal instalments as follows: the first of such equal annual instalments to be paid within two years, the second within three years, the third within four years, the fourth within five years, the fifth within six years, and the sixth within seven years, after the exchange of the ratifications of this Act. Interest at the rate of 5 per centum per annum shall begin to run on all unpaid portions of the said indemnity from the date the first instalment falls due. China shall, however, have the right to pay by anticipation at any time any or all of the said instalments. In case the whole amount of the said indemnity is paid within three years after the exchange of the ratifications of the present Act all interest shall be waived, and the interest for two years and a half or for any less period, if any already paid, shall be included as part of the principal amount of the indemnity.

Article V

The inhabitants of the territories ceded to Japan who wish to take up their residence outside the ceded districts shall be at liberty to sell their real property and retire. For this purpose a period of two years from the date of the exchange of ratifications

of the present Act shall be granted. At the expiration of that period those of the inhabitants who shall not have left such territories shall, at the option of Japan, be deemed to be Japanese subjects. Each of the two Governments shall, immediately upon the exchange of the ratifications of the present Act, send one or more Commissioners to Formosa to effect a final transfer of that province, and within the space of two months after the exchange of the ratifications of this Act such transfer shall be completed.

Article VI

All Treaties between Japan and China having come to an end as a consequence of war, China engages, immediately upon the exchange of the ratifications of this Act, to appoint Plenipotentiaries to conclude with the Japanese Plenipotentiaries, a Treaty of Commerce and Navigation and a Convention to regulate Frontier Intercourse and Trade. The Treaties, Conventions, and Regulations now subsisting between China and the European Powers shall serve as a basis for the said Treaty and Convention between Japan and China. From the date of the exchange of ratifications of this Act until the said Treaty and Convention are brought into actual operation, the Japanese Governments, its officials, commerce, navigation, frontier intercourse and trade, industries, ships, and subjects, shall in every respect be accorded by China most favoured nation treatment.

China makes, in addition, the following concessions, to take effect six months after the date of the present Act:

First. The following cities, towns, and ports, in addition to those already opened, shall be opened to the trade, residence, industries, and manufactures of Japanese subjects, under the same conditions and with the same privileges and facilities as exist at the present open cities, towns, and ports of China:

1. Shashih, in the province of Hupeh.
2. Chungking, in the province of Szechwan.
3. Suchow, in the province of Kiangsu.
4. Hangchow, in the province of Chekiang.

The Japanese Government shall have the right to station consuls at any or all of the above-named places.

Second. Steam navigation for vessels under the Japanese flag, for the conveyance of passengers and cargo, shall be extended to the following places:

1. On the Upper Yangtze River, from Ichang to Chungking.
2. On the Woosung River and the Canal, from Shanghai to Suchow and Hangchow.

The rules and regulations that now govern the navigation of the inland waters of China by Foreign vessels shall, so far as applicable, be enforced, in respect to the above-named routes, until new rules and regulations are conjointly agreed to.

Third. Japanese subjects purchasing goods or produce in the interior of China, or transporting imported merchandise into the interior of China, shall have the right temporarily to rent or hire warehouses for the storage of the articles so purchased or transported without the payment of any taxes or extractions whatever.

Fourth. Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated import duties thereon.

All articles manufactured by Japanese subjects in China shall, in respect of inland transit and internal taxes, duties, charges, and exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China.

In the event additional rules and regulations are necessary in connection with these concessions, they shall be embodied in the Treaty of Commerce and Navigation provided for by this Article.

Article VII

Subject to the provisions of the next succeeding Article, the evacuation of China by the armies of Japan shall be completely effected within three months after the exchange of the ratifications of the present Act.

Article VIII

As a guarantee of the faithful performance of the stipulations of this Act, China consents to the temporary occupation by the military forces of Japan of Weihaiwei, in the province of Shantung.

Upon payment of the first two instalments of the war indemnity herein stipulated for and the exchange of the ratifications of the Treaty of Commerce and navigation, the said place shall be evacuated by the Japanese forces, provided the Chinese Government consents to pledge, under suitable and sufficient arrangements, the Customs revenue of China as security for the payment of the principal and interest of the remaining instalments of the said indemnity. In the event that no such arrangements are concluded, such evacuation shall only take place upon the payment of the final instalment of said indemnity.

It is, however, expressly understood that no such evacuation shall take place until after the exchange of the ratifications of the Treaty of Commerce and Navigation.

Article 9

Immediately upon the exchange of the ratifications of this Act, all prisoners of war then held shall be restored, and China undertakes not to ill-treat or punish prisoners of war so restored to her by Japan. China also engages to at once release all Japanese subjects accused of being military spies or charged with any other military offences. China further engages not to punish in any manner, nor to allow to be punished, those Chinese subjects who have in any manner been compromised in their relations with the Japanese army during the war.

Article 10

All offensive military operations shall cease upon the exchange of the ratifications of this Act.

Article 11

The present Act shall be ratified by their Majesties the Emperor of Japan and the Emperor of China, and the ratifications shall be exchanged at Chefoo on the 8th day of the 5th month of the 28th year of MEIJI, corresponding to the 14th day of the 4th month of the 21st year of KUANG HSU. In witness whereof the respective Plenipotentiaries have signed the same and affixed thereto the seal of their arms.

Source: <http://www.taiwandocuments.org/shimonoseki01.htm>

8.2. APPENDIX II

The Cairo Declaration

November 26, 1943

President Roosevelt, Generalissimo Chiang Kai-Shek and Prime Minister Churchill, together with their respective military and diplomatic advisers, have completed a conference in North Africa. The following general statement was issued:

“The several military missions have agreed upon future military operations against Japan. The Three Great Allies expressed their resolve to bring unrelenting pressure against their brutal enemies by sea, land, and air. This pressure is already mounting.

The Three Great Allies are fighting this war to restrain and punish the aggression of Japan. They covet no gain for themselves and have no thought of territorial expansion.

It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China.

Japan will also be expelled from all other territories which she has taken by violence and greed. The aforesaid three great powers, mindful of the enslavement of the people of Korea, are determined that in due course Korea shall become free and independent.

With these objects in view the three Allies, in harmony with those of the United Nations at war with Japan, will continue to persevere in the serious and prolonged operations necessary to procure the unconditional surrender of Japan.”

Source: http://www.ndl.go.jp/constitution/e/shiryō/01/002_46/002_46tx.html

8.3. APPENDIX III

Potsdam Declaration

Proclamation defining terms for Japanese surrender issued at Potsdam, July 26, 1945.

- I. We-the President of the United States, the President of the National Government of the Republic of China, and the Prime Minister of Great Britain, representing the hundreds of millions of our countrymen, have conferred and agree that Japan shall be given an opportunity to end this war.
- II. The prodigious land, sea and air forces of the United States, the British Empire and of China, many times reinforced by their armies and air fleets from the west, are poised to strike the final blows upon Japan. This military power is sustained and inspired by the determination of all the Allied Nations to prosecute the war against Japan until she ceases to resist.
- III. The result of the futile and senseless German resistance to the might of the aroused free peoples of the world stands forth in awful clarity as an example to the people of Japan. The might that now converges on Japan is immeasurably greater than that which, when applied to the resisting Nazis, necessarily laid waste to the lands, the industry and the method of life of the whole German people. The full application of our military power, backed by our resolve, will mean the inevitable and complete destruction of the Japanese armed forces and just as inevitably the utter devastation of the Japanese homeland.
- IV. The time has come for Japan to decide whether she will continue to be controlled by those self-willed militaristic advisers whose unintelligent calculations have brought the Empire of Japan to the threshold of annihilation, or whether she will follow the path of reason.
- V. Following are our terms. We will not deviate from them. There are no alternatives. We shall brook no delay.
- VI. There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest, for we insist that a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world.
- VII. Until such a new order is established and until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth.
- VIII. The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.
- IX. The Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives.
- X. We do not intend that the Japanese shall be enslaved as a race or destroyed as a nation, but stern justice shall be meted out to all war criminals, including those who have visited cruelties upon our prisoners. The Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech, of religion, and of thought, as well as respect for the fundamental human rights shall be established.

- XI. Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to re-arm for war. To this end, access to, as distinguished from control of, raw materials shall be permitted. Eventual Japanese participation in world trade relations shall be permitted.
- XII. The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government.
- XIII. We call upon the government of Japan to proclaim now the unconditional surrender of all Japanese armed forces, and to provide proper and adequate assurances of their good faith in such action. The alternative for Japan is prompt and utter destruction.

Source: <http://www.ndl.go.jp/constitution/e/etc/c06.html>

8.4. APPENDIX IV

Treaty of San Francisco

TREATY OF PEACE WITH JAPAN

WHEREAS the Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and to maintain international peace and security, and are therefore desirous of concluding a Treaty of Peace which will settle questions still outstanding as a result of the existence of a state of war between them;

WHEREAS Japan for its part declares its intention to apply for membership in the United Nations and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realize the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

WHEREAS the Allied Powers welcome the intentions of Japan set out in the foregoing paragraph;

THE ALLIED POWERS AND JAPAN have therefore determined to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries, who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

CHAPTER I

PEACE

Article 1

(a) The state of war between Japan and each of the Allied Powers is terminated as from the date on which the present Treaty comes into force between Japan and the Allied Power concerned as provided for in Article 23.

(b) The Allied Powers recognize the full sovereignty of the Japanese people over Japan and its territorial waters.

CHAPTER II

TERRITORY

Article 2

(a) Japan recognizing the independence of Korea, renounces all right, title and claim to Korea, including the islands of Quelpart, Port Hamilton and Dagelet.

(b) Japan renounces all right, title and claim to Formosa and the Pescadores.

(c) Japan renounces all right, title and claim to the Kurile Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan acquired sovereignty as a consequence of the Treaty of Portsmouth of 5 September 1905.

(d) Japan renounces all right, title and claim in connection with the League of Nations Mandate System, and accepts the action of the United Nations Security Council of 2 April

1947, extending the trusteeship system to the Pacific Islands formerly under mandate to Japan.

(e) Japan renounces all claim to any right or title to or interest in connection with any part of the Antarctic area, whether deriving from the activities of Japanese nationals or otherwise.

(f) Japan renounces all right, title and claim to the Spratly Islands and to the Paracel Islands.

Article 3

Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the sole administering authority, Nansei Shoto south of 29deg. north latitude (including the Ryukyu Islands and the Daito Islands), Nanpo Shoto south of Sofu Gan (including the Bonin Islands, Rosario Island and the Volcano Islands) and Parece Vela and Marcus Island. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands, including their territorial waters.

Article 4

(a) Subject to the provisions of paragraph (b) of this Article, the disposition of property of Japan and of its nationals in the areas referred to in Article 2, and their claims, including debts, against the authorities presently administering such areas and the residents (including juridical persons) thereof, and the disposition in Japan of property of such authorities and residents, and of claims, including debts, of such authorities and residents against Japan and its nationals, shall be the subject of special arrangements between Japan and such authorities. The property of any of the Allied Powers or its nationals in the areas referred to in Article 2 shall, insofar as this has not already been done, be returned by the administering authority in the condition in which it now exists. (The term nationals whenever used in the present Treaty includes juridical persons.)

(b) Japan recognizes the validity of dispositions of property of Japan and Japanese nationals made by or pursuant to directives of the United States Military Government in any of the areas referred to in Articles 2 and 3.

(c) Japanese owned submarine cables connection Japan with territory removed from Japanese control pursuant to the present Treaty shall be equally divided, Japan retaining the Japanese terminal and adjoining half of the cable, and the detached territory the remainder of the cable and connecting terminal facilities.

CHAPTER III

SECURITY

Article 5

(a) Japan accepts the obligations set forth in Article 2 of the Charter of the United Nations, and in particular the obligations

(i) to settle its international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered;

(ii) to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any State or in any other manner inconsistent with the Purposes of the United Nations;

(iii) to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any State against which the United Nations may take preventive or enforcement action.

(b) The Allied Powers confirm that they will be guided by the principles of Article 2 of the Charter of the United Nations in their relations with Japan.

(c) The Allied Powers for their part recognize that Japan as a sovereign nation possesses the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations and that Japan may voluntarily enter into collective security arrangements.

Article 6

(a) All occupation forces of the Allied Powers shall be withdrawn from Japan as soon as possible after the coming into force of the present Treaty, and in any case not later than 90 days thereafter. Nothing in this provision shall, however, prevent the stationing or retention of foreign armed forces in Japanese territory under or in consequence of any bilateral or multilateral agreements which have been or may be made between one or more of the Allied Powers, on the one hand, and Japan on the other.

(b) The provisions of Article 9 of the Potsdam Proclamation of 26 July 1945, dealing with the return of Japanese military forces to their homes, to the extent not already completed, will be carried out.

(c) All Japanese property for which compensation has not already been paid, which was supplied for the use of the occupation forces and which remains in the possession of those forces at the time of the coming into force of the present Treaty, shall be returned to the Japanese Government within the same 90 days unless other arrangements are made by mutual agreement.

CHAPTER IV

POLITICAL AND ECONOMIC CLAUSES

Article 7

(a) Each of the Allied Powers, within one year after the present Treaty has come into force between it and Japan, will notify Japan which of its pre-war bilateral treaties or conventions with Japan it wishes to continue in force or revive, and any treaties or conventions so notified shall continue in force or be revived subject only to such amendments as may be necessary to ensure conformity with the present Treaty. The treaties and conventions so notified shall be considered as having been continued in force or revived three months after the date of notification and shall be registered with the Secretariat of the United Nations. All such treaties and conventions as to which Japan is not so notified shall be regarded as abrogated.

(b) Any notification made under paragraph (a) of this Article may except from the operation or revival of a treaty or convention any territory for the international relations of which the notifying Power is responsible, until three months after the date on which notice is given to Japan that such exception shall cease to apply.

Article 8

(a) Japan will recognize the full force of all treaties now or hereafter concluded by the Allied Powers for terminating the state of war initiated on 1 September 1939, as well as any other arrangements by the Allied Powers for or in connection with the restoration of peace. Japan also accepts the arrangements made for terminating the former League of Nations and Permanent Court of International Justice.

(b) Japan renounces all such rights and interests as it may derive from being a signatory power of the Conventions of St. Germain-en-Laye of 10 September 1919, and the Straits Agreement of Montreux of 20 July 1936, and from Article 16 of the Treaty of Peace with Turkey signed at Lausanne on 24 July 1923.

(c) Japan renounces all rights, title and interests acquired under, and is discharged from all obligations resulting from, the Agreement between Germany and the Creditor Powers of 20 January 1930 and its Annexes, including the Trust Agreement, dated 17 May 1930, the Convention of 20 January 1930, respecting the Bank for International Settlements; and the Statutes of the Bank for International Settlements. Japan will notify to the Ministry of Foreign Affairs in Paris within six months of the first coming into force of the present Treaty its renunciation of the rights, title and interests referred to in this paragraph.

Article 9

Japan will enter promptly into negotiations with the Allied Powers so desiring for the conclusion of bilateral and multilateral agreements providing for the regulation or limitation of fishing and the conservation and development of fisheries on the high seas.

Article 10

Japan renounces all special rights and interests in China, including all benefits and privileges resulting from the provisions of the final Protocol signed at Peking on 7 September 1901, and all annexes, notes and documents supplementary thereto, and agrees to the abrogation in respect to Japan of the said protocol, annexes, notes and documents.

Article 11

Japan accepts the judgments of the International Military Tribunal for the Far East and of other Allied War Crimes Courts both within and outside Japan, and will carry out the sentences imposed thereby upon Japanese nationals imprisoned in Japan. The power to grant clemency, to reduce sentences and to parole with respect to such prisoners may not be exercised except on the decision of the Government or Governments which imposed the sentence in each instance, and on recommendation of Japan. In the case of persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan.

Article 12

(a) Japan declares its readiness promptly to enter into negotiations for the conclusion with each of the Allied Powers of treaties or agreements to place their trading, maritime and other commercial relations on a stable and friendly basis.

(b) Pending the conclusion of the relevant treaty or agreement, Japan will, during a period of four years from the first coming into force of the present Treaty

(1) accord to each of the Allied Powers, its nationals, products and vessels

(i) most-favoured-nation treatment with respect to customs duties, charges, restrictions and other regulations on or in connection with the importation and exportation of goods;

(ii) national treatment with respect to shipping, navigation and imported goods, and with respect to natural and juridical persons and their interests - such treatment to include all matters pertaining to the levying and collection of taxes, access to the courts, the making and performance of contracts, rights to property (tangible and intangible), participating in juridical entities constituted under Japanese law, and generally the conduct of all kinds of business and professional activities;

(2) ensure that external purchases and sales of Japanese state trading enterprises shall be based solely on commercial considerations.

(c) In respect to any matter, however, Japan shall be obliged to accord to an Allied Power national treatment, or most-favored-nation treatment, only to the extent that the Allied Power concerned accords Japan national treatment or most-favored-nation treatment, as the case may be, in respect of the same matter. The reciprocity envisaged in the foregoing sentence shall be determined, in the case of products, vessels and juridical entities of, and persons domiciled in, any non-metropolitan territory of an Allied Power, and in the case of juridical entities of, and persons domiciled in, any state or province of an Allied Power having a federal government, by reference to the treatment accorded to Japan in such territory, state or province.

(d) In the application of this Article, a discriminatory measure shall not be considered to derogate from the grant of national or most-favored-nation treatment, as the case may be, if such measure is based on an exception customarily provided for in the commercial treaties of the party applying it, or on the need to safeguard that party's external financial position or balance of payments (except in respect to shipping and navigation), or on the need to maintain its essential security interests, and provided such measure is proportionate to the circumstances and not applied in an arbitrary or unreasonable manner.

(e) Japan's obligations under this Article shall not be affected by the exercise of any Allied rights under Article 14 of the present Treaty; nor shall the provisions of this Article be understood as limiting the undertakings assumed by Japan by virtue of Article 15 of the Treaty.

Article 13

(a) Japan will enter into negotiations with any of the Allied Powers, promptly upon the request of such Power or Powers, for the conclusion of bilateral or multilateral agreements relating to international civil air transport.

(b) Pending the conclusion of such agreement or agreements, Japan will, during a period of four years from the first coming into force of the present Treaty, extend to such Power treatment not less favorable with respect to air-traffic rights and privileges than those exercised by any such Powers at the date of such coming into force, and will accord complete equality of opportunity in respect to the operation and development of air services.

(c) Pending its becoming a party to the Convention on International Civil Aviation in accordance with Article 93 thereof, Japan will give effect to the provisions of that Convention applicable to the international navigation of aircraft, and will give effect to the standards, practices and procedures adopted as annexes to the Convention in accordance with the terms of the Convention.

CHAPTER V

CLAIMS AND PROPERTY

Article 14

(a) It is recognized that Japan should pay reparations to the Allied Powers for the damage and suffering caused by it during the war. Nevertheless it is also recognized that the resources of Japan are not presently sufficient, if it is to maintain a viable economy, to make complete reparation for all such damage and suffering and at the same time meet its other obligations.

Therefore,

1. Japan will promptly enter into negotiations with Allied Powers so desiring, whose present territories were occupied by Japanese forces and damaged by Japan, with a view to assisting to compensate those countries for the cost of repairing the damage done, by making available the services of the Japanese people in production, salvaging and other work for the Allied Powers in question. Such arrangements shall avoid the imposition of additional liabilities on other Allied Powers, and, where the manufacturing of raw materials is called for, they shall be supplied by the Allied Powers in question, so as not to throw any foreign exchange burden upon Japan.

2. (I) Subject to the provisions of subparagraph (II) below, each of the Allied Powers shall have the right to seize, retain, liquidate or otherwise dispose of all property, rights and interests of

(a) Japan and Japanese nationals,

(b) persons acting for or on behalf of Japan or Japanese nationals, and

(c) entities owned or controlled by Japan or Japanese nationals,

which on the first coming into force of the present Treaty were subject to its jurisdiction. The property, rights and interests specified in this subparagraph shall include those now blocked, vested or in the possession or under the control of enemy property authorities of Allied Powers, which belong to, or were held or managed on behalf of, any of the persons or entities mentioned in (a), (b) or (c) above at the time such assets came under the controls of such authorities.

(II) The following shall be excepted from the right specified in subparagraph (I) above:

(i) property of Japanese natural persons who during the war resided with the permission of the Government concerned in the territory of one of the Allied Powers, other than territory occupied by Japan, except property subjected to

restrictions during the war and not released from such restrictions as of the date of the first coming into force of the present Treaty;

(ii) all real property, furniture and fixtures owned by the Government of Japan and used for diplomatic or consular purposes, and all personal furniture and furnishings and other private property not of an investment nature which was normally necessary for the carrying out of diplomatic and consular functions, owned by Japanese diplomatic and consular personnel;

(iii) property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;

(iv) property, rights and interests which have come within its jurisdiction in consequence of the resumption of trade and financial relations subsequent to 2 September 1945, between the country concerned and Japan, except such as have resulted from transactions contrary to the laws of the Allied Power concerned;

(v) obligations of Japan or Japanese nationals, any right, title or interest in tangible property located in Japan, interests in enterprises organized under the laws of Japan, or any paper evidence thereof; provided that this exception shall only apply to obligations of Japan and its nationals expressed in Japanese currency.

(III) Property referred to in exceptions (i) through (v) above shall be returned subject to reasonable expenses for its preservation and administration. If any such property has been liquidated the proceeds shall be returned instead.

(IV) The right to seize, retain, liquidate or otherwise dispose of property as provided in subparagraph (I) above shall be exercised in accordance with the laws of the Allied Power concerned, and the owner shall have only such rights as may be given him by those laws.

(V) The Allied Powers agree to deal with Japanese trademarks and literary and artistic property rights on a basis as favorable to Japan as circumstances ruling in each country will permit.

(b) Except as otherwise provided in the present Treaty, the Allied Powers waive all reparations claims of the Allied Powers, other claims of the Allied Powers and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war, and claims of the Allied Powers for direct military costs of occupation.

Article 15

(a) Upon application made within nine months of the coming into force of the present Treaty between Japan and the Allied Power concerned, Japan will, within six months of the date of such application, return the property, tangible and intangible, and all rights or interests of any kind in Japan of each Allied Power and its nationals which was within Japan at any time between 7 December 1941 and 2 September 1945, unless the owner has freely disposed thereof without duress or fraud. Such property shall be returned free of all encumbrances and charges to which it may have become subject because of the war, and without any charges for its return. Property whose return is not applied for by or on behalf of the owner or by his Government within the prescribed period may be disposed of by the Japanese Government as it may determine. In cases where such property was within Japan on 7 December 1941, and cannot be returned or has suffered injury or damage as a result of the war, compensation will be made on terms not less favorable than

the terms provided in the draft Allied Powers Property Compensation Law approved by the Japanese Cabinet on 13 July 1951.

(b) With respect to industrial property rights impaired during the war, Japan will continue to accord to the Allied Powers and their nationals benefits no less than those heretofore accorded by Cabinet Orders No. 309 effective 1 September 1949, No. 12 effective 28 January 1950, and No. 9 effective 1 February 1950, all as now amended, provided such nationals have applied for such benefits within the time limits prescribed therein.

(c) (i) Japan acknowledges that the literary and artistic property rights which existed in Japan on 6 December 1941, in respect to the published and unpublished works of the Allied Powers and their nationals have continued in force since that date, and recognizes those rights which have arisen, or but for the war would have arisen, in Japan since that date, by the operation of any conventions and agreements to which Japan was a party on that date, irrespective of whether or not such conventions or agreements were abrogated or suspended upon or since the outbreak of war by the domestic law of Japan or of the Allied Power concerned.

(ii) Without the need for application by the proprietor of the right and without the payment of any fee or compliance with any other formality, the period from 7 December 1941 until the coming into force of the present Treaty between Japan and the Allied Power concerned shall be excluded from the running of the normal term of such rights; and such period, with an additional period of six months, shall be excluded from the time within which a literary work must be translated into Japanese in order to obtain translating rights in Japan.

Article 16

As an expression of its desire to indemnify those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan, Japan will transfer its assets and those of its nationals in countries which were neutral during the war, or which were at war with any of the Allied Powers, or, at its option, the equivalent of such assets, to the International Committee of the Red Cross which shall liquidate such assets and distribute the resultant fund to appropriate national agencies, for the benefit of former prisoners of war and their families on such basis as it may determine to be equitable. The categories of assets described in Article 14(a)2(II)(ii) through (v) of the present Treaty shall be excepted from transfer, as well as assets of Japanese natural persons not residents of Japan on the first coming into force of the Treaty. It is equally understood that the transfer provision of this Article has no application to the 19,770 shares in the Bank for International Settlements presently owned by Japanese financial institutions.

Article 17

(a) Upon the request of any of the Allied Powers, the Japanese Government shall review and revise in conformity with international law any decision or order of the Japanese Prize Courts in cases involving ownership rights of nationals of that Allied Power and shall supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued. In any case in which such review or revision shows that restoration is due, the provisions of Article 15 shall apply to the property concerned.

(b) The Japanese Government shall take the necessary measures to enable nationals of any of the Allied Powers at any time within one year from the coming into force of the present Treaty between Japan and the Allied Power concerned to submit to the appropriate Japanese authorities for review any judgment given by a Japanese court between 7 December 1941 and such coming into force, in any proceedings in which any such national was unable to make adequate presentation of his case either as plaintiff or defendant. The Japanese Government shall provide that, where the national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances.

Article 18

(a) It is recognized that the intervention of the state of war has not affected the obligation to pay pecuniary debts arising out of obligations and contracts (including those in respect of bonds) which existed and rights which were acquired before the existence of a state of war, and which are due by the Government or nationals of Japan to the Government or nationals of one of the Allied Powers, or are due by the Government or nationals of one of the Allied Powers to the Government or nationals of Japan. The intervention of a state of war shall equally not be regarded as affecting the obligation to consider on their merits claims for loss or damage to property or for personal injury or death which arose before the existence of a state of war, and which may be presented or re-presented by the Government of one of the Allied Powers to the Government of Japan, or by the Government of Japan to any of the Governments of the Allied Powers. The provisions of this paragraph are without prejudice to the rights conferred by Article 14.

(b) Japan affirms its liability for the pre-war external debt of the Japanese State and for debts of corporate bodies subsequently declared to be liabilities of the Japanese State, and expresses its intention to enter into negotiations at an early date with its creditors with respect to the resumption of payments on those debts; to encourage negotiations in respect to other pre-war claims and obligations; and to facilitate the transfer of sums accordingly.

Article 19

(a) Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty.

(b) The foregoing waiver includes any claims arising out of actions taken by any of the Allied Powers with respect to Japanese ships between 1 September 1939 and the coming into force of the present Treaty, as well as any claims and debts arising in respect to Japanese prisoners of war and civilian internees in the hands of the Allied Powers, but does not include Japanese claims specifically recognized in the laws of any Allied Power enacted since 2 September 1945.

(c) Subject to reciprocal renunciation, the Japanese Government also renounces all claims (including debts) against Germany and German nationals on behalf of the Japanese Government and Japanese nationals, including intergovernmental claims and claims for

loss or damage sustained during the war, but excepting (a) claims in respect of contracts entered into and rights acquired before 1 September 1939, and (b) claims arising out of trade and financial relations between Japan and Germany after 2 September 1945. Such renunciation shall not prejudice actions taken in accordance with Articles 16 and 20 of the present Treaty.

(d) Japan recognizes the validity of all acts and omissions done during the period of occupation under or in consequence of directives of the occupation authorities or authorized by Japanese law at that time, and will take no action subjecting Allied nationals to civil or criminal liability arising out of such acts or omissions.

Article 20

Japan will take all necessary measures to ensure such disposition of German assets in Japan as has been or may be determined by those powers entitled under the Protocol of the proceedings of the Berlin Conference of 1945 to dispose of those assets, and pending the final disposition of such assets will be responsible for the conservation and administration thereof.

Article 21

Notwithstanding the provisions of Article 25 of the present Treaty, China shall be entitled to the benefits of Articles 10 and 14(a)2; and Korea to the benefits of Articles 2, 4, 9 and 12 of the present Treaty.

CHAPTER VI

SETTLEMENT OF DISPUTES

Article 22

If in the opinion of any Party to the present Treaty there has arisen a dispute concerning the interpretation or execution of the Treaty, which is not settled by reference to a special claims tribunal or by other agreed means, the dispute shall, at the request of any party thereto, be referred for decision to the International Court of Justice. Japan and those Allied Powers which are not already parties to the Statute of the International Court of Justice will deposit with the Registrar of the Court, at the time of their respective ratifications of the present Treaty, and in conformity with the resolution of the United Nations Security Council, dated 15 October 1946, a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect to all disputes of the character referred to in this Article.

CHAPTER VII

FINAL CLAUSES

Article 23

(a) The present Treaty shall be ratified by the States which sign it, including Japan, and will come into force for all the States which have then ratified it, when instruments of ratification have been deposited by Japan and by a majority, including the United States of America as the principal occupying Power, of the following States, namely Australia, Canada, Ceylon, France, Indonesia, the Kingdom of the Netherlands, New Zealand,

Pakistan, the Republic of the Philippines, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. The present Treaty shall come into force of each State which subsequently ratifies it, on the date of the deposit of its instrument of ratification.

(b) If the Treaty has not come into force within nine months after the date of the deposit of Japan's ratification, any State which has ratified it may bring the Treaty into force between itself and Japan by a notification to that effect given to the Governments of Japan and the United States of America not later than three years after the date of deposit of Japan's ratification.

Article 24

All instruments of ratification shall be deposited with the Government of the United States of America which will notify all the signatory States of each such deposit, of the date of the coming into force of the Treaty under paragraph (a) of Article 23, and of any notifications made under paragraph (b) of Article 23.

Article 25

For the purposes of the present Treaty the Allied Powers shall be the States at war with Japan, or any State which previously formed a part of the territory of a State named in Article 23, provided that in each case the State concerned has signed and ratified the Treaty. Subject to the provisions of Article 21, the present Treaty shall not confer any rights, titles or benefits on any State which is not an Allied Power as herein defined; nor shall any right, title or interest of Japan be deemed to be diminished or prejudiced by any provision of the Treaty in favour of a State which is not an Allied Power as so defined.

Article 26

Japan will be prepared to conclude with any State which signed or adhered to the United Nations Declaration of 1 January 1942, and which is at war with Japan, or with any State which previously formed a part of the territory of a State named in Article 23, which is not a signatory of the present Treaty, a bilateral Treaty of Peace on the same or substantially the same terms as are provided for in the present Treaty, but this obligation on the part of Japan will expire three years after the first coming into force of the present Treaty. Should Japan make a peace settlement or war claims settlement with any State granting that State greater advantages than those provided by the present Treaty, those same advantages shall be extended to the parties to the present Treaty.

Article 27

The present Treaty shall be deposited in the archives of the Government of the United States of America which shall furnish each signatory State with a certified copy thereof.

Source: <https://treaties.un.org/doc/Publication/UNTS/Volume%20136/volume-136-I-1832-English.pdf>

8.5. APPENDIX V

Okinawa Reversion Agreement 1972

Published June 17, 1971.

Article I

1. With respect to the Ryukyu Islands and the Daito Islands, as defined in paragraph 2 below, the United States of America relinquishes in favor of Japan all rights and interests under Article 3 of the Treaty of Peace with Japan signed at the city of San Francisco on September 8, 1951, effective as of the date of entry into force of this Agreement. Japan, as of such date, assumes full responsibility and authority for the exercise of all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of the said islands.

2. For the purpose of this Agreement, the term "the Ryukyu Islands and the Daito Islands" means all the territories and their territorial waters with respect to which the right to exercise all and any powers of administration, legislation and jurisdiction was accorded to the United States of America under Article 3 of the Treaty of Peace with Japan other than those with respect to which such right has already been returned to Japan in accordance with the Agreement concerning the Amami Islands and the Agreement concerning Nanpo Shoto and Other Islands signed between Japan and the United States of America, respectively on December 24, 1953 and April 5, 1968.

Article II

It is confirmed that treaties, conventions and other agreements concluded between Japan and the United States of America, including, but without limitation, the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed at Washington on January 19, 1960 and its related arrangements and the Treaty of Friendship, Commerce and Navigation between Japan and the United States of America signed at Tokyo on April 2, 1953, become applicable to the Ryukyu Islands and the Daito Islands as of the date of entry into force of this Agreement.

Article III

1. Japan will grant the United States of America on the date of entry into force of this Agreement the use of facilities and areas in the Ryukyu Islands and the Daito Islands in accordance with the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed at Washington on January 19, 1960 and its related arrangements.

2. In the application of Article VI of the Treaty of Mutual Cooperation and Security between Japan and the United States of America, regarding Facilities and Areas and the Status of United States Armed Forces in Japan signed on January 19, 1960, to the facilities

and areas the use of which will be granted in accordance with paragraph 1 above to the United States of America on the date of entry into force of this Agreement, it is understood that the phrase "the condition in which they were at the time they became available to the United States armed forces" in paragraph 1 of the said Article IV refers to the condition in which the facilities and areas first came into the use of the United States armed forces, and that the term "improvements" in paragraph 2 of the said Article includes those made prior to the date of entry into force of this Agreement.

Source: <http://www.cfr.org/japan/okinawa-reversion-agreement-1972/p30266>

8.6. APPENDIX VI

Japan-US Security Treaty

Published January 19, 1960.

Treaty of Mutual Cooperation and Security between Japan and the United States of America

Japan and the United States of America, desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty, and the rule of law,

Desiring further to encourage closer economic cooperation between them and to promote conditions of economic stability and well-being in their countries,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations, and their desire to live in peace with all peoples and all governments,

Recognizing that they have the inherent right of individual or collective self-defense as affirmed in the Charter of the United Nations,

Considering that they have a common concern in the maintenance of international peace and security in the Far East,

Having resolved to conclude a treaty of mutual cooperation and security,

Therefore agree as follows:

Article I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations. The Parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

Article II

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them.

Article III

The Parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

Article IV

The Parties will consult together from time to time regarding the implementation of this Treaty, and, at the request of either Party, whenever the security of Japan or international peace and security in the Far East is threatened.

Article V

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes. Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article VI

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan. The use of these facilities and areas as well as the status of United States armed forces in Japan shall be governed by a separate agreement, replacing the Administrative Agreement under Article III of the Security Treaty between Japan and the United States of America, signed at Tokyo on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

Article VII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

Article VIII

This Treaty shall be ratified by Japan and the United States of America in accordance with their respective constitutional processes and will enter into force on the date on which the instruments of ratification thereof have been exchanged by them in Tokyo.

Article IX

The Security Treaty between Japan and the United States of America signed at the city of San Francisco on September 8, 1951 shall expire upon the entering into force of this Treaty.

Article X

This Treaty shall remain in force until in the opinion of the Governments of Japan and the United States of America there shall have come into force such United Nations arrangements as will satisfactorily provide for the maintenance of international peace and security in the Japan area. However, after the Treaty has been in force for ten years, either Party may give notice to the other Party of its intention to terminate the Treaty, in which case the Treaty shall terminate one year after such notice has been given.

Source: <http://www.mofa.go.jp/region/n-america/us/q&a/ref/1.html>

8.7. APPENDIX VII

ADIZ Announcement by China

Announcement of the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone of the People's Republic of China

Issued by the Ministry of National Defense on November 23, 2013.

The Ministry of National Defense of the People's Republic of China, in accordance with the Statement by the Government of the People's Republic of China on Establishing the East China Sea Air Defense Identification Zone, now announces the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone as follows:

First, aircraft flying in the East China Sea Air Defense Identification Zone must abide by these rules.

Second, aircraft flying in the East China Sea Air Defense Identification Zone must provide the following means of identification:

1. Flight plan identification. Aircraft flying in the East China Sea Air Defense Identification Zone should report the flight plans to the Ministry of Foreign Affairs of the People's Republic of China or the Civil Aviation Administration of China.

2. Radio identification. Aircraft flying in the East China Sea Air Defense Identification Zone must maintain the two-way radio communications, and respond in a timely and accurate manner to the identification inquiries from the administrative organ of the East China Sea Air Defense Identification Zone or the unit authorized by the organ.

3. Transponder identification. Aircraft flying in the East China Sea Air Defense Identification Zone, if equipped with the secondary radar transponder, should keep the transponder working throughout the entire course.

4. Logo identification. Aircraft flying in the East China Sea Air Defense Identification Zone must clearly mark their nationalities and the logo of their registration identification in accordance with related international treaties.

Third, aircraft flying in the East China Sea Air Defense Identification Zone should follow the instructions of the administrative organ of the East China Sea Air Defense Identification Zone or the unit authorized by the organ. China's armed forces will adopt defensive emergency measures to respond to aircraft that do not cooperate in the identification or refuse to follow the instructions.

Fourth, the Ministry of National Defense of the People's Republic of China is the administrative organ of the East China Sea Air Defense Identification Zone.

Fifth, the Ministry of National Defense of the People's Republic of China is responsible for the explanation of these rules.

Sixth, these rules will come into force at 10 a.m. November 23, 2013.

Source: http://news.xinhuanet.com/english/china/2013-11/23/c_132911634.htm