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East Asian Contested Islands

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February 1974

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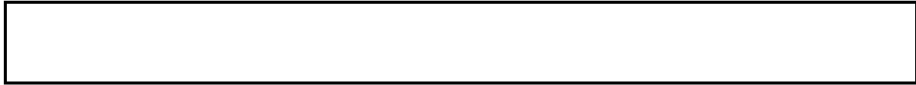
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Central Intelligence Agency
Directorate of Intelligence
February 1974

EAST ASIAN CONTESTED ISLANDS

SUMMARY

Recent clashes between the Peoples Republic of China (PRC) and South Vietnam over the Paracel Islands and the rush to occupy some of the Spratly Islands by South Vietnamese and Philippine troops relate to old disputes but with a new twist -- oil. In the past 5 years, preliminary geophysical exploration and a few drillings along the margins of the East Asian Continental Shelf have heightened expectations that sizable oil deposits lie beneath the East and South China Seas. The Paracels, Spratlys, and other islands off the East Asia mainland, including those in the Gulf of Thailand and the East China Sea, are now being contested, not for their intrinsic worth but for their value in determining seabed jurisdiction.

- ... Almost all of the contested islands are without an indigenous population, and their economic value -- aside from extraction of guano phosphates on some -- is virtually nil.
- ... Present international law provides inadequate guidelines for determining the seaward extension of land boundaries, either on the continental shelf or into the deeper waters of semi-enclosed seas. This shortcoming magnifies the confusion in the jurisdictional picture of the South China and East China Seas. The Third International Conference on the Law of the Sea (LOS), which convenes in the summer of 1974, may resolve some of these problems.

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... If the upcoming LOS Conference adopts measures to allocate seabed resources in semi-enclosed seas, ownership of islands could be crucial in determining which coastal state gets the largest share of the seabed and its resources.

Ownership of the islands could become a major source of friction among the claimants even if -- as seems likely -- there are no further military clashes on the Paracels pattern. There is an obvious possibility for upset in Sino-Japanese relations if Tokyo begins oil exploration activity in the Senkakus sector without prior agreement with the Chinese. There is also a potential for disruption of the Sino-US detente, particularly if Peking attempts to move against the Nationalist garrison on Pratas. Though China's problems with other claimants are susceptible of negotiation in time, the current surge of interest in oil exploration off the East Asian coast may lead to precipitate and risky actions in some instances.

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1. Contested islands fringe the East Asian mainland, extending north to south from the west coast of Korea to the South China Sea and Gulf of Thailand.* All of the islands in dispute are small, most are uninhabited, and only a few have any economic significance (Map A). Interest in them has risen and publicity over rival claims has grown since 1970, following release of data indicating the probability of petroleum resources in the East and South China Seas. Although national prestige, military, and strategic factors are significant elements in at least some of the disputes, the seabed resources issue undoubtedly is the motive that has fanned controversy and hastened decisions to seize control of some of these islands.

Petroleum Prospects

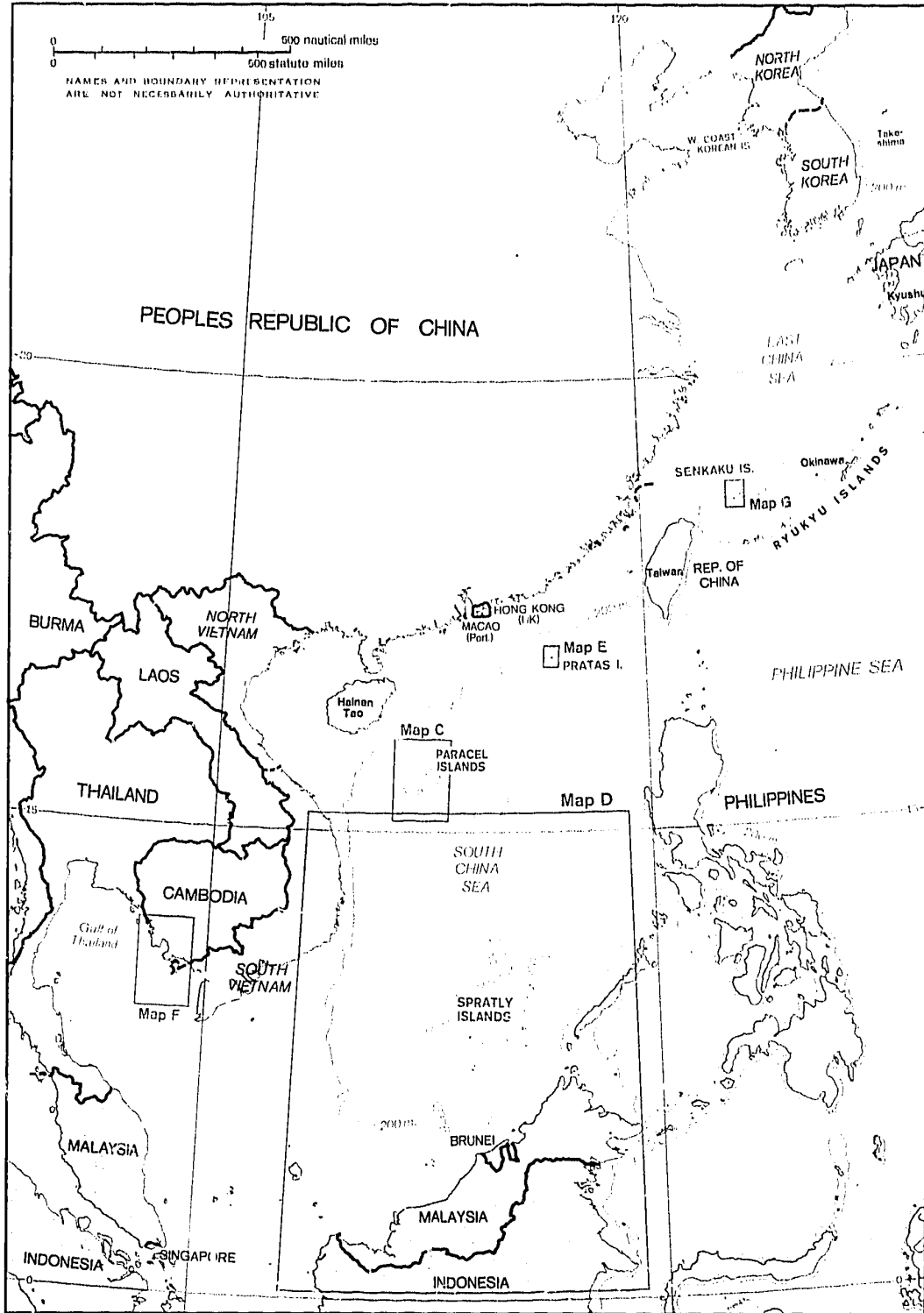
2. There is oil beneath the seabed of the South China and East China Seas. Oil and natural gas are today extracted off the shores of Sarawak and Brunei, in the southern part of the South China Sea.** Exploratory drilling in the past year indicates the probability of deposits off the west coast of Sabah in East Malaysia, the east coast of West Malaysia, in the middle of the Gulf of Thailand (an arm of the South China Sea), and on the continental shelf between the Peoples Republic of China (PRC), Taiwan, and Japan in the East China Sea.

** *The combined Sarawak and Brunei production is about 300,000 barrels daily and is expected to double in the next 2 years.*

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East Asian Contested Islands

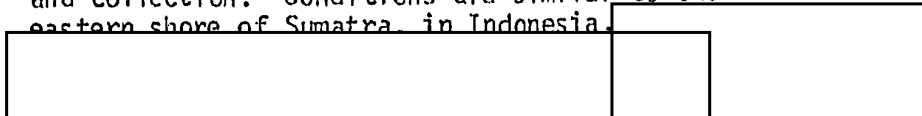
Map A



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3. Assessment of the region's potential is premature. Except for offshore Sarawak and Brunei, exploration has been underway for only 2 years or so; years of seismic surveys and drilling are needed to adequately estimate reserves. South Vietnamese officials hope, for example, that the probability of oil in the seabed southeast of the Mekong delta can be determined by mid-1974. If positive evidence is found, exploratory drilling could begin by late 1974; but definitive answers would not be obtained for several more years.

4. Oil prospects appear most promising in the southwestern part of the South China Sea and in the Gulf of Thailand, both entirely on the continental shelf. Seismic surveys have determined that sediments there are thick and particularly favorable for petroleum formation and collection. Conditions are similar to those off the eastern shore of Sumatra in Indonesia.



5. In the northeastern two-thirds of the South China Sea, which includes the Spratlys and Paracels, evidence of oil is far more scanty. Because the continental shelf in this sector is nowhere more than 150 miles wide and much of the sea is deeper than 3,000 meters, the prospects for discovering commercially exploitable oil deposits are greatly reduced. The Nationalist Chinese are drilling 60 miles west of southern Taiwan. Elsewhere, the PRC has embarked on exploration on its own continental shelf and is engaged in exploratory drilling on one of the Parcel islands; in addition, the North Vietnamese are doing some seismic exploration in the Gulf of Tonkin. Although most depths beyond the continental shelf in this part of the South China Sea exceed present drilling capabilities, the seabed surrounding island groups such as the Paracels and the Spratlys can assuredly be exploited by rapidly improving drilling technology within the next few years.

* Indonesia produces about 2 percent of the world's crude oil; although only 18 percent of her total production now comes from offshore fields, this figure is rapidly increasing.

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6. Late 1973 Japanese press reports claimed that oil reserves in the Gulf of Tonkin had been proven by North Vietnam with Soviet technology; the most promising area was reported to be near Haiphong. Even if the reports are untrue, geologic conditions in the Gulf are favorable for the accumulation of thick oil-bearing sediments. North Vietnam reportedly agreed late in 1973 to permit a Japanese company to explore there. The continental shelf boundary between North Vietnam and the PRC has not yet been determined and the numerous small islands off both coasts could make its delimitation difficult.

7. In the relatively shallow East China Sea, geologic conditions are also favorable for the formation and collection of petroleum. Exploration is still in its early stages however:



South China Sea Islands

8. Current tensions in the South China Sea over possession of the Paracel and Spratly Islands involves well over 100 small islands, islets, reefs, and rocks of seeming inconsequence (Map B). Although most of the islands have been used for centuries by fishermen from the surrounding states, and since the 19th century some have been exploited for their guano phosphate deposits, none of the islands is known to have supported a permanent settlement. Prior to and during World War II Japan used a few of the islands, principally for meteorological and communications facilities and phosphate extraction. The signing of the 1951 Peace Treaty with Japan appears to have created a legal vacuum since the Japanese claims were nullified by terms of the Treaty. Subsequently, both Peking and Taipei reasserted claims encompassing almost all of the South China Sea, and South Vietnam claimed the Paracels and Spratlys. More recently, the Philippines have recorded a claim to some of the Spratly Islands. Although political and military factors are significant in the dispute over ownership, the increased interest and growing tensions of the past few years undoubtedly reflect the possibility that sizable petroleum resources underlie the South China Sea.

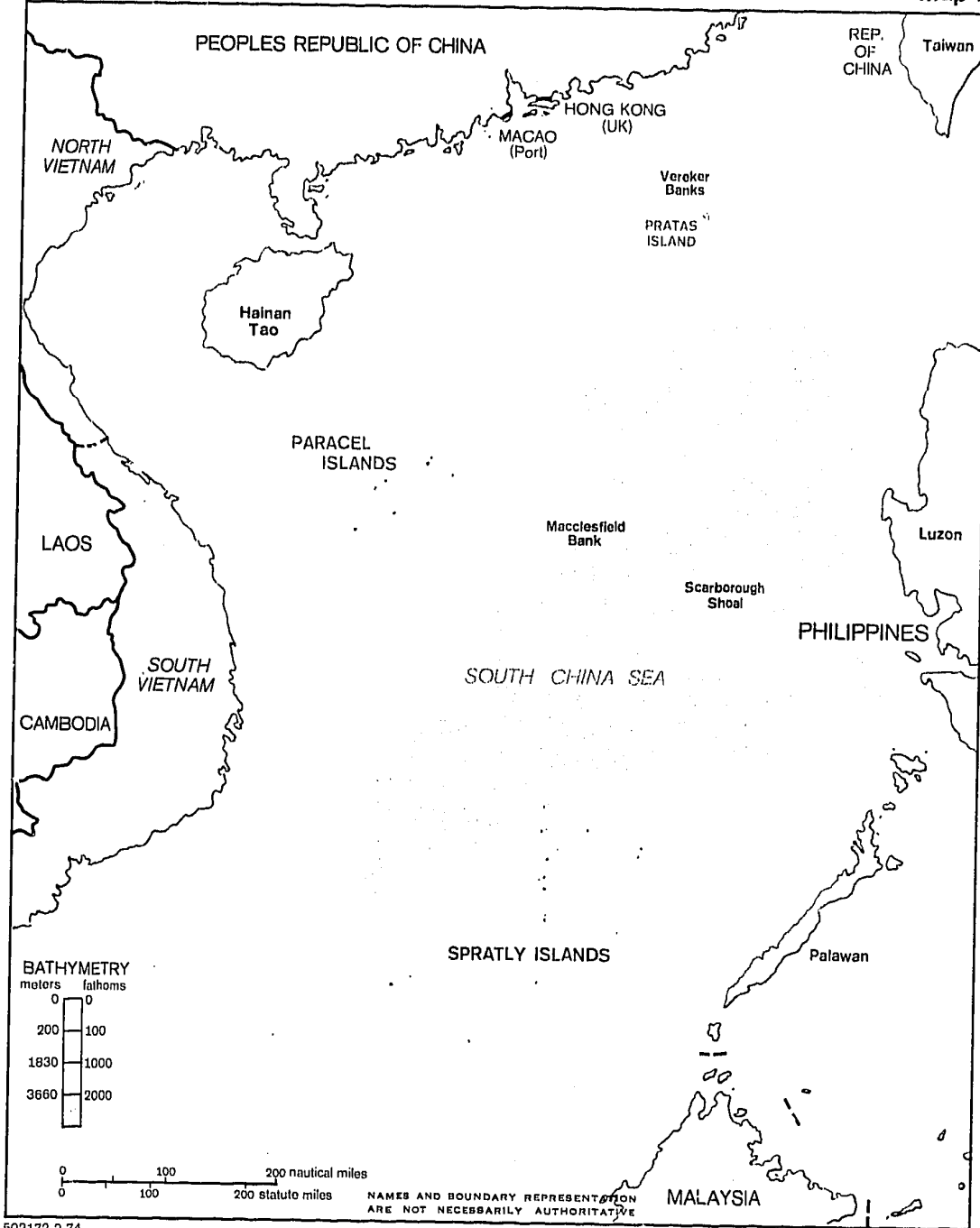
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Contested Islands in the South China Sea

Map B



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Paracel Islands

9. The fighting that erupted in January 1974 in the Paracel Islands between South Vietnam and the PRC highlighted their long-smoldering dispute over possession of these islands (Map C). Since at least the mid-1950's, each country has been in continuous occupation of one of the two groups of islands that comprise the Paracels -- the Chinese in the Amphitrite Group, and the Vietnamese in the Crescent Group. The brief clash, apparently sparked by Chinese occupation of the islands in the Crescent Group, which the South Vietnamese attempted to thwart, left the Chinese in control of all of the islands.

10. The potential seabed resources of the Paracels undoubtedly are an important element in the events of early 1974. The Chinese may have important information about the underground resources of the Paracels since they are making exploratory drillings on Woody Island. On 11 January 1974 Peking reiterated its claim to the Paracels, the other island groups in the South China Sea, and the seas around them. This may have been a reaction to renewed claims by South Vietnam and also to concern over South Vietnamese grants for exploratory concessions in the seas near Vietnam, some of which slightly overlap Chinese claims. Although the question of *de jure* sovereignty remains unsettled, the PRC occupation makes this an academic question.*

11. The Paracels -- called by the Chinese, Hsi-sha Ch'un-tao, or West Sand Islands and by the Vietnamese Dao Hoang Sa -- are scattered over a 60 by 100 mile area on a submerged platform surrounded by deep water. The two groups -- Amphitrite and Crescent -- are about 40 miles apart and together comprise some 16 small islands, plus numerous islets, rocks, reefs, and banks (Table 1). The islands and the shallow waters immediately surrounding them could be used in drilling operations should petroleum prospects appear likely.



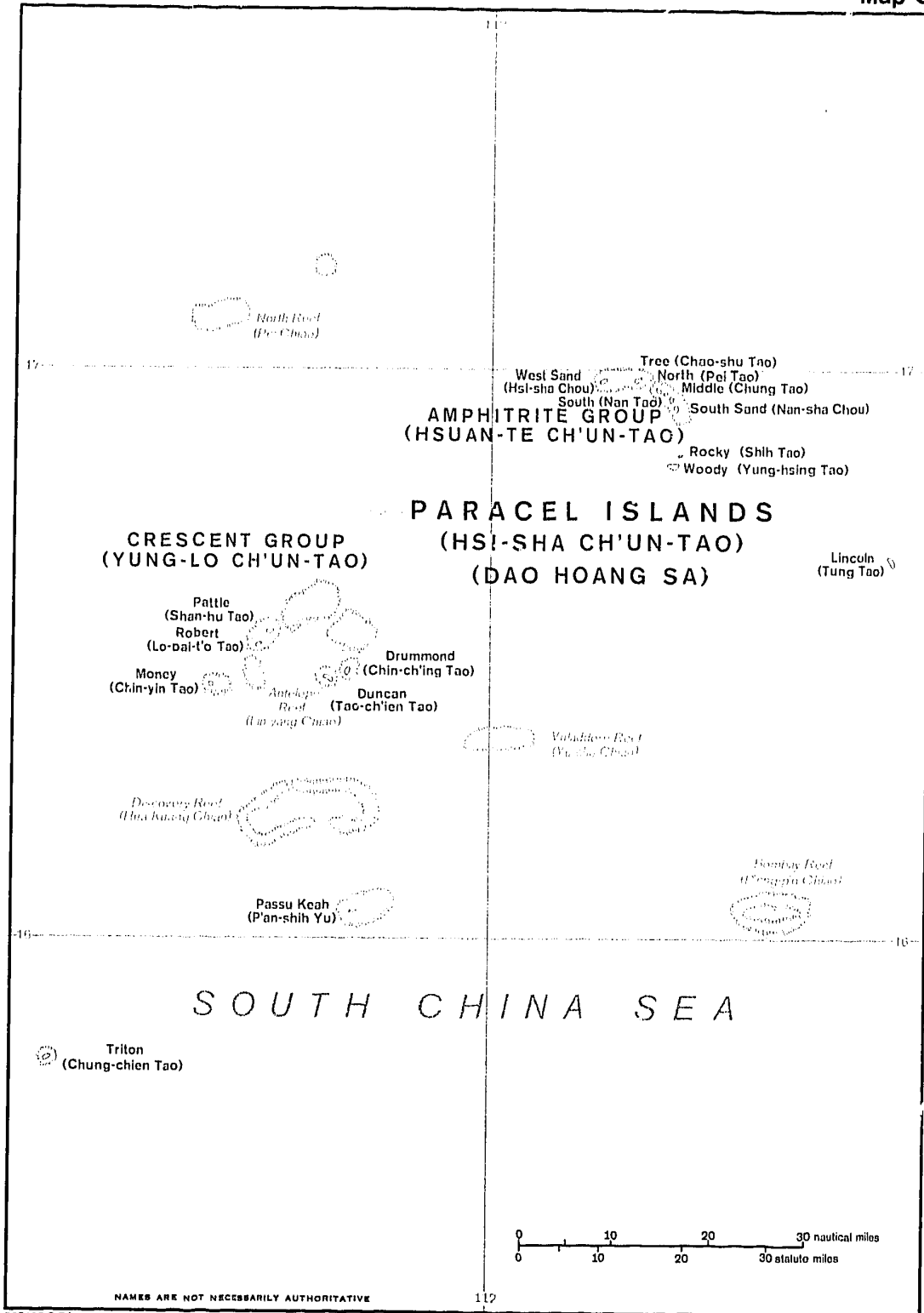
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Paracel Islands

Map C



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Table 1

PARACEL ISLANDS (HSI-SHA CH'UN-TAO): TOPOLOGY, LOCATIONS,
AND STATUS OF SELECTED ISLETSAMPHITRITE GROUP (HSUAN-TE CH'UN-TAO)

<u>English</u>	<u>Chinese</u>	<u>Geographic Coordinates</u>	<u>Last Known Status</u>
Woody	Yung-hsing Tao	16°50'30"N 112°19'36"E	Headquarters of PRC Occupation large military and civilian force.
Rocky	Shih Tao	16°50'45"N 112°20'30"E	Small PRC force.
Lincoln	Tung Tao	16°40'N 112°43'45"E	Small PRC military and civilian force.
West Sand	Hsi-sha Tao	16°59'40"N 112°12'05"E	No permanent occupation.
Tree	Chao-shu Tao	16°59'42"N 112°15'50"E	No permanent occupation.
North	Pei Tao	16°57'45"N 112°18'25"E	No permanent occupation.
Middle	Chung Tao	16°57'15"N 112°19'E	No permanent occupation.
South	Nan Tao	16°56'40"N 112°19'45"E	No permanent occupation.
South Sand	Nan-sha Tao	16°55'40"N 112°20'30"E	No permanent occupation.

CRESCENT GROUP (YUNG-LO CH'UN-TAO)

Pattle	Shan-hu Tao	16°32'20"N 111°35'40"E	Probably occupied by PRC military force.
Robert	Lo-pai-t'ao Tao	16°30'36"N 111°34'23"E	Possibly occupied by small PRC force.
Duncan	Tao-ch'ien Tao	16°27'N 111°42'45"E	Probably occupied by small PRC military force.
Drummond	Chin-ch'ing Tao	16°27'45"N 111°44'35"E	No permanent occupation.
Money	Chin-yin Tao	16°26'30"N 111°30'30"E	No permanent occupation.
Triton	Chung-chien Tao	15°47'15"N 111°42'E	No permanent occupation.
Passu Keah	P'an-shih Yu	16°03'N 111°45'30"E	No permanent occupation.

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12. All of the islands are low, relatively flat, and composed principally of coral limestone overlain with sand. Most of the larger islands are fringed by a narrow sand beach backed by low-growing shrubs or trees. Reef shelves commonly surround the islands; some uncover or are barely covered at low tide. Anchorages for small ships are available outside the reefs on the lee side of a few islands. In addition to their use as fishing bases, most of these islands are rich in deposits of guano phosphate, an excellent fertilizer that requires little treatment before use. Deposits on Woody and Pattle Islands have been worked sporadically over the last 50 years; the Woody Island deposits are probably depleted.

13. The PRC began permanent occupation of Woody Island in late 1955 to extract fertilizer and work the local fisheries. By 1958 a fleet of 40 oceangoing vessels manned by 400 crewmen began to operate from the island, both for fishing and for surveillance of shipping in the South China sea lanes. Quantities of fertilizer and seafood have been shipped to the mainland. The occupying force has grown gradually despite largely unsuccessful efforts to raise food and a scarcity of fresh water.

14. The only significant military installations are on Woody Island, and growing evidence of military activity has been reported in recent years. A harbor blasted out of the coral reef on the southwest side of the island to accommodate small ships could possibly serve as a small advance naval base or fueling station. A military command post has been established, and some defensive positions, including AAA sites, have been constructed. The Chinese operate weather and communications stations and early warning radar equipment.

Spratly Islands

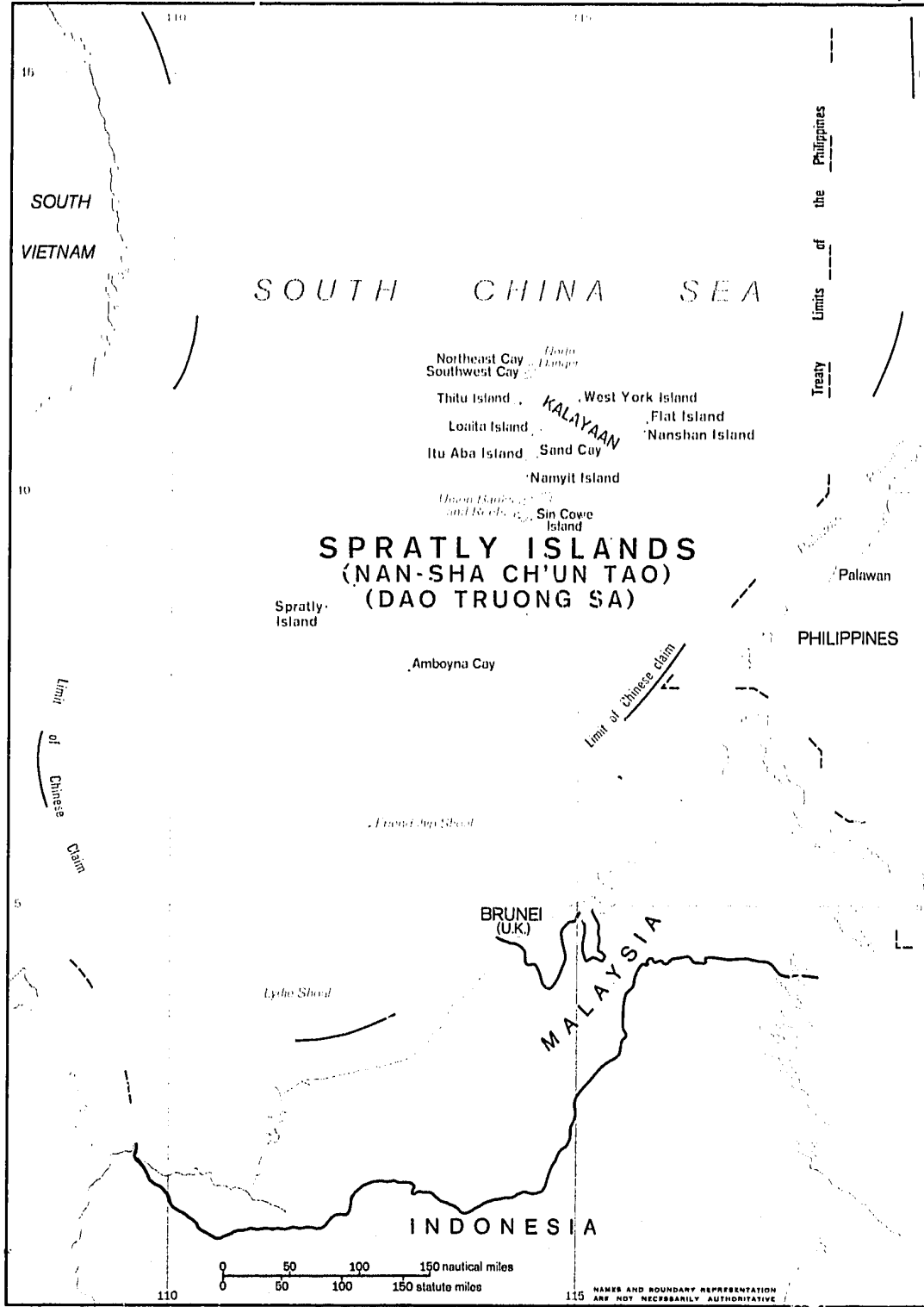
15. The Spratlys are a group of coral islands, cays, and reefs physically similar to the Paracels and also claimed by both China and South Vietnam as well as by the Philippines. South Vietnam dispatched a small naval task force to occupy five additional islands (one island was garrisoned in the early summer of 1973) in late January 1974 -- partly in reaction to their ejection from the Paracels by the PRC between 18 and 20 January. Taiwan occupies the largest island in the archipelago, Itu Aba (T'ai-p'ing Tao), and the Philippines also claim occupation

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Spratly Islands

Map D



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of several additional islands (Table 2 and Map D). Most habitable islands are probably now occupied; the remaining Spratlys consist of reefs, rocks, sandbars, and other uninhabitable bits of land.

16. The Spratly Islands are ill-defined geographically and extend over a vast expanse of the South China Sea measuring approximately 500 miles by 200 miles in extent. The islands are variously termed the Spratly Group or Spratly Archipelago; many of them lie in the area designated "Dangerous Ground" on nautical charts because of the numerous shoals and other navigational hazards in this poorly charted area. The Philippine designation is Kalayaan, or "Freedomland," a term that applies to only a portion of the island group. Both Chinas include all of the islands and reefs under the name Nan-sha Ch'un-tao (South Sands Archipelago); the Vietnamese name is Dao Trouug Sa. Despite the large number of islands, islets, and banks, the total land area of the Spratlys at high tide probably totals no more than 1 square mile.

17. The petroleum potential beneath the waters surrounding the Spratly Islands is highly speculative. All of the Spratlys, with the exception of the southernmost reefs and shoals lying between Friendship Shoal and Lydie Shoal, are part of a discontinuous elevated submarine platform that is separated from the continental shelves of peripheral states (Map B). This submarine platform is bounded on the southeast by a deep submarine trench, underlying the Palawan Passage, that clearly separates the Spratlys from the continental shelf margin of the Philippine island of Palawan. Other deep sea areas separate the Spratlys from continental shelves to the north and west. The notable exception is the area lying southward from Friendship Shoal to Lydie Shoal that is part of the continental shelf extending north from East Malaysia.

18. Geophysical exploration of this part of the South China Sea has begun only recently, and seismic profiles and related data are limited. The platform is folded into several northeast - southwest ridges capped by some of the islands and banks of the Spratlys. These islets could serve as drilling platforms, though nothing positive is known of the organic content and reservoir characteristics of the strata that cap the floor and form the ridges.

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19. The several claimants to the Spratlys rely on a variety of often conflicting evidence; physical occupation, however, is the means used to assert claims. The Republic of China sent a small military force to occupy the Spratlys in late 1945 following the defeat of the Japanese, who had maintained meteorological and radio stations on Itu Aba during World War II. This small Chinese garrison was apparently maintained on Itu Aba until the Nationalists' ouster from the mainland in 1949. The Republic of China later re-established occupation in 1956 when troops were again dispatched to garrison Itu Aba. The ROC military presence on this island appears to have been continuous since that time. Little else happened for a number of years -- until the possibility of petroleum deposits in the area was recognized. This undoubtedly was a major consideration in Manila's decision to occupy several islands in 1971 and in Saigon's dispatch of forces in mid-1973 and early 1974 to other islands in the Spratlys.* As of mid-February 1974, the South Vietnamese occupy islands mainly in the south and central Spratlys, Philippine forces control islands in the north and east, and Chinese Nationalist forces are on Itu Aba, between the two (Table 2 and Map D).

20. Strong reactions have been voiced by both Peking and Manila to the late January/early February landings by South Vietnam forces. The PRC, alone among the claimants in having no physical presence in the Spratlys, has strongly denounced the Vietnamese landings as a "new military provocation." The Philippine response has been formal protests to both Saigon and Taipei. A major Philippine point is that the area they term Kalayaan -- apparently the northeastern islands -- is distinct and separate from the remainder of the Spratlys. Kalayaan, according to Manila, has been acquired through occupation of five of the islands. The Philippine Government also has urged that the situation should be brought for a peaceful resolution to the attention of the United Nations or the signatories of the 1951 Japanese Peace Treaty. (This position was taken by Philippine officials as far back as the 1950's.)

* A private Philippine citizen [redacted] reportedly visited some of the Islands periodically during the 1950's for the purpose of establishing a claim.

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21. In addition to the current claimants, France and the United Kingdom have latent claims that have been neither reasserted nor withdrawn. North Vietnam has not advanced a claim to the Spratlys -- perhaps in deference to the PRC claim. Malaysia, however, has a legitimate, though yet unvoiced, claim to exploitation of the seabed within the southern Spratlys. The continental shelf north of East Malaysia includes the reefs and shoals from Friendship Shoal southward to Lydie Shoal -- features within the area claimed by both Chinas.

Pratas

22. Pratas Island -- Tung-sha Tao or East Sand Island -- is a circular coral barrier reef, roughly 13 miles in diameter, with an island on the west side (Map E). It is about 160 miles southeast of Hong Kong, 240 miles southwest of Taiwan, and 260 miles northwest of Luzon. The reef, a few miles northeast of the shipping lane between Hong Kong and Manila, is a shipping hazard because soundings give little warning of its proximity. Most of it uncovers at low tide. Its lagoon is shallow and studded with coral heads and a few rocks; anchorages are available only for small ships. The east-west oriented island is low, about 1-1/2 miles long by 1/2 mile wide, and roughly U-shaped around a shallow lagoon.

23. The Chinese include Pratas Island and Reef with the Vereker Banks -- North Vereker (Pei-wei-t'an) and South Vereker (Nan-wei-t'an) -- to comprise the Tung-sha Ch'un-tao (East Sands Archipelago). The Vereker Banks are submerged coral formations with minimum depths of 58 to 64 meters. North Vereker is about 7 by 5 miles in size; South Vereker is much smaller. The Vereker Banks are just off the continental shelf; Pratas is about 45 miles seaward.

24. Both Chinas contest ownership of Pratas, but neither has made a public issue of it in recent years. The PRC has never occupied the island. The Republic of China, however, maintains a military garrison and in 1964 constructed an airfield with a 5,000-foot concrete runway on the north arm of the island; it is sparingly used. The Chinese also operate a weather observatory and a radio station.

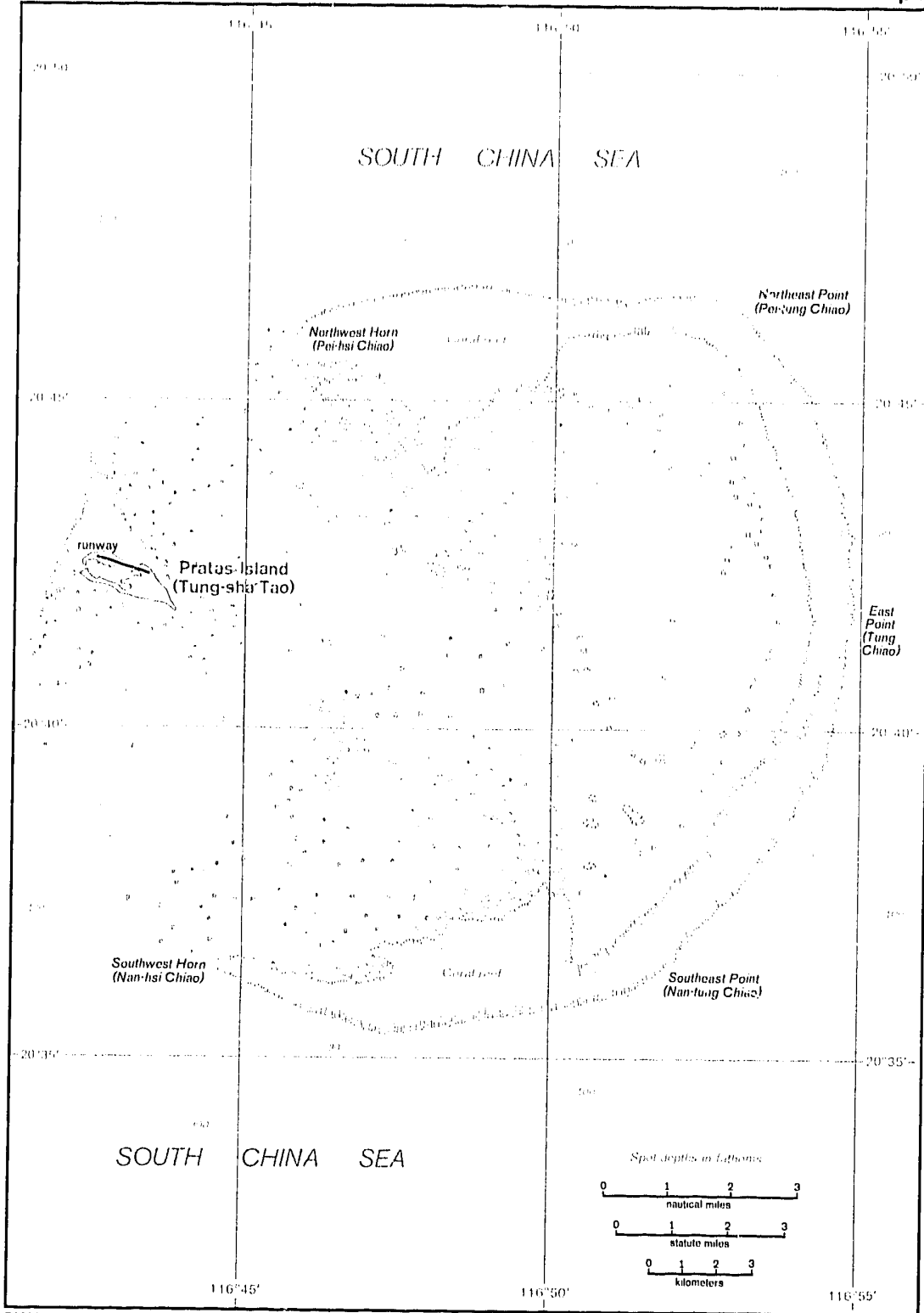
25. Pratas has had an obscure past, although the island has been occupied during most of this century. For years it served as a haven for fishermen who collected

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Pratas Island

Map E



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seaweed, shells, and coral. In 1906, the Japanese moved in to exploit the guano phosphate deposits. A dispute with China over ownership resulted, and the Japanese diplomatically withdrew after accepting Chinese payment for buildings constructed. Apparently, the Chinese proclaimed their sovereignty over Pratas but did not occupy it until 1926, when a naval weather observatory was established. The Japanese seized Pratas in 1937 and held it until early 1945. The Republic of China has occupied the island since 1946.

Macclesfield Bank and Scarborough Shoal

26. Macclesfield Bank, a submerged atoll in the central part of the South China Sea, is about 75 miles long, northeast-southwest, and 30 miles wide. It is located about 35 miles eastward of the main shipping lanes and 75 miles east of the Paracels (Map B). Most of the bank lies 64 to 82 meters below sea level; numerous poorly-charted shoals as little as 9 meters deep dot the surface of the bank. It has a discontinuous coral rim with an average width of 3 miles and minimum depths of 13 to 18 meters. Outside the coral rim, the bank slopes sharply into deep waters of more than 1,800 meters. Although Macclesfield Bank does not break the surface of the sea, it is usually visible from aloft. During heavy weather, the sea at the edges of the bank is high and confused.

27. Occupation of the Paracels could have significance for the legitimization of claims for Macclesfield Bank. An underwater feature, the bank cannot be treated from a jurisdictional standpoint as an island. The Chinese name for Macclesfield Bank, Chung-sha Ch'un-tao (Middle Sands Archipelago), is a misnomer. The bank is located equidistant from Hainan and Luzon, approximately 270 miles from each. It is clearly on the mainland side of the deepest part of the South China Sea, but more than 200 miles from the 200-meter isobath, the nominal edge of the continental shelf.

28. The value of Macclesfield Bank is unknown. Until recently, it was considered only a navigational hazard for large ships and a fishing ground. Although a survey published in 1971 by the Economic Commission for Asia and the Far East cited the "promising" possibility of petroleum deposits in Macclesfield Bank, there has been no rush to file claims. Both Chinese governments include the bank in their overall claim to islands and resources in the South China Sea.

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29. Scarborough Shoal is a narrow, mostly submerged reef in the eastern part of the South China Sea, about 125 miles from Luzon (Map B). It is mainly a navigation hazard -- the pinnacle of an underwater peak in one of the deep areas of the South China Sea. The reef encloses a lagoon that is almost completely filled with subsurface coral heads at intervals of about 50 feet. Rocks on the reef belt are clearly visible from some distance, standing 5 to 8 feet above the breakers that crash against the shoal. South Rock (Huang-yen Tao), about 10 feet high, stands at the southeast corner of the shoal.

30. Scarborough Shoal has received little attention except from sea captains who have strayed from the main shipping lanes. Although small, some of Scarborough Shoal is above sea level and might have validity for the extension of island claims. The deep surrounding waters would make possible recovery of undersea resources extremely difficult. The Philippines have not claimed the shoal despite its proximity to Luzon. China includes Scarborough Shoal within the sweeping claims it makes for the South China Sea.

Disputed Islands in the Gulf of Thailand

31. The drawing of a maritime boundary between Vietnam and Cambodia (the Khmer Republic) among the islands in the eastern Gulf of Thailand has been contested since the French colonial era. The task has been further complicated in recent years by coastal state extensions of continental shelf claims through possession of offshore islands. The dispute between Cambodia and South Vietnam is divided into two distinct parts: the historical conflict over the islands near the mainland and the dispute over the smaller, more distant islands used in drawing median lines to delimit seabed exploration rights on the continental shelf. The latter issue has currently eclipsed the former.

32. The islands lie from one-quarter mile off the mainland in the case of Milieu and Cambodia, to 78 miles in the case of Hon Panjang. Island names are of Khmer, Vietnamese, or even Malay derivation; in size they vary from 500 square miles (Phu Quoc) to rocks awash. Current occupancy of the islands is difficult to determine except for Phu Quoc, which is Vietnamese, and Baie, opposite the Cambodian port of Ream (Table 3). South Vietnam reportedly exercises *de facto* control of Hon Panjang and Cambodia occupies Poulo

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Contested Islands in the Gulf of Thailand

Map F



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Table 3

ISLANDS IN THE GULF OF THAILAND: TOPOONY, LOCATIONS, AND
STATUS OF SELECTED ISLETS

<u>English or French</u>	<u>Vietnamese</u>	<u>Khmer</u>	<u>Geographic Coordinates</u>	<u>Last Known Status</u>	
Phu Quoc	Dao Phu Quoc	Koh Trai	10°18'N 104°00'E	South Vietnamese inhabited.	
Milieu	Hon Phu Du	Koh Thmey	10°28'N 103°46'E	Probably Khmer.	
Eau	Hon Nuoc	Koh Ses	10°25'N 103°48'E	Unknown.	
Recif Depond (rocks awash)			09°55'N 103°10'E	Unknown.	
Poulo Wai			09°56'N 102°56'E	Khmer.	
Hon Panjang			09°18'N 103°28'E	South Vietnamese <u>de facto</u> control.	
Peak (Pic)	Hon Antay	Koh Tonsay	10°26'N 104°20'E	Unknown.	
North Pirate Island	Hon Tre Mam	Koh Po	10°24'N 104°20'E	Unknown.	
		Hon Keo Ngua	Koh Angkrang	10°22'N 104°19'E	Unknown.
			Koh Seh	10°21'N 104°20'E	Unknown.
Baie	Hon Vung	Koh Ta Kiev	10°29'N 103°36'E	Probably Khmer.	
South Pirate Island	Hon Duoc		10°16'N 104°18'E	Unknown.	
Hon Da Bon			09°22'N 103°22'E	Unknown.	

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Wai. Generally, inhabited islands north of the Brevie line are Khmer-occupied and those south of the line Vietnamese occupied (Map F).

33. The dispute over the near-shore islands was first acknowledged by the French in the late 1930's. The question then was which French possession should administer and police the islands -- Cambodia or Cochin China. The issue was partially solved in 1939 by the French Governor General of Indochina -- Jules Brevie. Brevie's solution was to draw a line perpendicular to the coast from the land boundary between Cochin China and Cambodia and extend it southwest at a 234° azimuth, except for a deviation around Phu Quoc, which was included under Cochin China's administration. All islands north of the line were administered by Cambodia, those south by Cochin China. Brevie avoided the sovereignty issue, however, by explicitly disclaiming any attempt to resolve it with this decree.

34. The Brevie line was accepted as the *de facto* maritime boundary between Cambodia and South Vietnam until 1958, when the Vietnamese fired on one of the Khmer-inhabited North Pirate Islands.* In 1960 Vietnam sent a note to Cambodia asserting Vietnamese sovereignty over the islands both north and south of the Brevie line. Milieu, Eau, and the North Pirate Islands were claimed to belong historically, legally, and geographically to Vietnam, based on Annamese colonization during the latter half of the 19th century. There is no historical evidence to support this view. The struggle for sovereignty continued during the early 1960's: the Khmers landed forces on the major North Pirate Islands, and Vietnam officially protested the "illegal" Cambodian occupancy of Milieu and Eau. By 1964 the countries had begun to extend their claims seaward; Cambodia claimed not only the South Pirate Islands but also Hon Panjang, an isolated island some 78 miles off the South Vietnamese coast.**

* The North Pirate Islands include Koh Angkrong, Koh Soh, and Koh Po, all north of the Brevie Line.

**The South Pirate islands are those of the Pirate Islands (Iles des Pirates) which lie south of the Brevie Line.

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35. Essentially, the claims of both sides are all-encompassing. Cambodia claims not only all islands north of the Brevie Line but Phu Quoc, Hon Panjang, and the South Pirates as well. The Vietnamese claim extends as far north and west as Milieu, Eau, and Baie, all close to Cambodia's shore. Other than the minor shelling incident in 1958, there have been no military clashes over the islands.

36. Both countries have some good substantiating evidence for part of their claims. Cambodia, for instance, was recognized by France as possessing sovereignty over Phu Quoc, Milieu, and Eau in 1856. Other Cambodian claims are less easily confirmed. The Vietnamese, on the other hand, claim the islands as the heirs to French Cochin China.

37. The more recent dispute between the two countries involves smaller islands (Poulo Mai, Depond, and Hon Panjang) located much farther from the mainland than the islands separated by the Brevie Line. These islands have been used as base points from which to construct median lines to define their respective continental shelf rights. By simultaneously claiming these small islands, Cambodia and South Vietnam overlap some 24,000 square miles of each other's petroleum concession areas. In addition, both countries overlap Thai concession areas currently being prospected by several different companies. Although Cambodia and South Vietnam held exploratory talks in May 1973 in an attempt to solve offshore concession problems, no solution was reached.

Senkakus

38. The Senkakus dispute focuses on a small group of uninhabited, largely barren East China Sea islets located on the eastern margin of the East Asian Continental Shelf in an area of potential oil resources (Map G). Prior to 1970 the Senkakus were virtually unknown and seldom shown on maps of the area. Publicity about possible petroleum deposits in the East China Sea, based on a 1968 UN survey, prompted a series of sovereignty pronouncements from Tokyo, Taipei, and Peking in 1970-71.

39. Japan's claim, originally the strongest of the three, was further enhanced when the United States returned the Ryukyus (and the Senkakus) to Japanese administration on 15 May 1972. But both the Republic of China (ROC) and the PRC -- citing practically identical historical,

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Senkaku Islands

Map G



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locational, and legal evidence -- maintain that reversion did not affect their claims because the Senkakus were never rightfully Japanese. In reality, the Senkaku sovereignty issue is only the superficial focal point of the dispute. The main issue is the division of the entire continental shelf upon which the Senkakus are located; all claimants want a share of its potential resources. Japan and Taiwan are in the early stages of petroleum exploration on the shelf, but both have kept these activities away from the Senkakus. The PRC's involvement in the area has remained rhetorical and low key.

40. The Senkakus are located about 100 miles northeast of Chi-lung, Taiwan's major northern port, some 200 miles from Okinawa and the China mainland, and about 500 miles from Kyushu. They comprise two islands -- Uotsuri-jima (less than 2 square miles in area) and Kobi-sho (approximately 1/2 square mile) -- and several small islets and rocks. Few offshore anchorages exist, landings are difficult and in many places dangerous, and beaches are practically non-existent. Small boat landings can be made via a slip on the western side of Uotsuri-jima -- but only during calm weather. Most of the Senkakus are practically devoid of vegetation, and fresh water is obtainable only on Uotsuri-jima.

41. Publicly, the GOJ treats the Senkakus sovereignty issue as settled. Tokyo's actions regarding the exploitation of the shelf in the Senkakus area, however, have been cautious and slow paced. No concessions have been approved south of approximately 29°00'N; applications for oil exploration licenses and other projects in the immediate vicinity of the Senkakus are being held in abeyance. Since reversion, Japan has had responsibility for defense of the Ryukyus, including the Senkakus, but the Self Defense Forces reportedly have stayed away from the disputed islands. Only the Civil Maritime Safety Agency makes occasional patrols. Taiwanese fishermen continue to enter the Senkakus from time to time and presumably come ashore occasionally.

42. In contrast to the cautious Japanese, the Republic of China has granted a petroleum concession that includes the Senkakus; but exploratory drilling, begun in August 1973, is some distance away. The concessionaire, Gulf Oil, in association with the ROC-owned Chinese Petroleum Corporation has a rig some 50 miles due north of Taiwan and approximately 100 miles west of the Senkakus. Adverse weather

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conditions and technical difficulties have plagued the operation; moreover, Gulf has found the rig only marginally suitable for the area. Although Gulf has drilled one producing exploratory well, the so-called Fu-kui well, it will be difficult to meet exploration obligations under the terms of the concession.

43. The PRC has never established even a temporary presence on the Senkakus. Peking's 1970 claims were followed by a Foreign Ministry statement issued early in 1972, just 4 months prior to the planned reversion of the Ryukyus to Japan, which asserted that the US-Japan reversion agreement would not alter PRC sovereignty over the Senkakus. No commitment to any specific course of action was suggested, however, nor was recovery of the Senkakus made a prerequisite for the normalization of PRC-Japan relations which took place later that same year. In September 1972, when Prime Minister Tanaka was in Peking, Chou En-lai deliberately downplayed the importance of the issue after Tanaka pressed him on the PRC's stance. Peking has not issued any subsequent statements on the Senkakus. This low key approach will probably continue for some time -- at least as long as Japan's and Taiwan's activities near the Senkakus remain exploratory and not exploitive.

44. The United States' position is one of neutrality on the legal ownership of the Senkakus. Stringent restrictions on U.S. oil firms operating in the area, including a ban on using U.S. crews for drilling operations in disputed waters, are in effect. These restrictions, combined with the difficulties of obtaining suitable rigs, have resulted in contractors' flatly refusing or becoming extremely reluctant to consider drilling in the Senkakus offshore area.

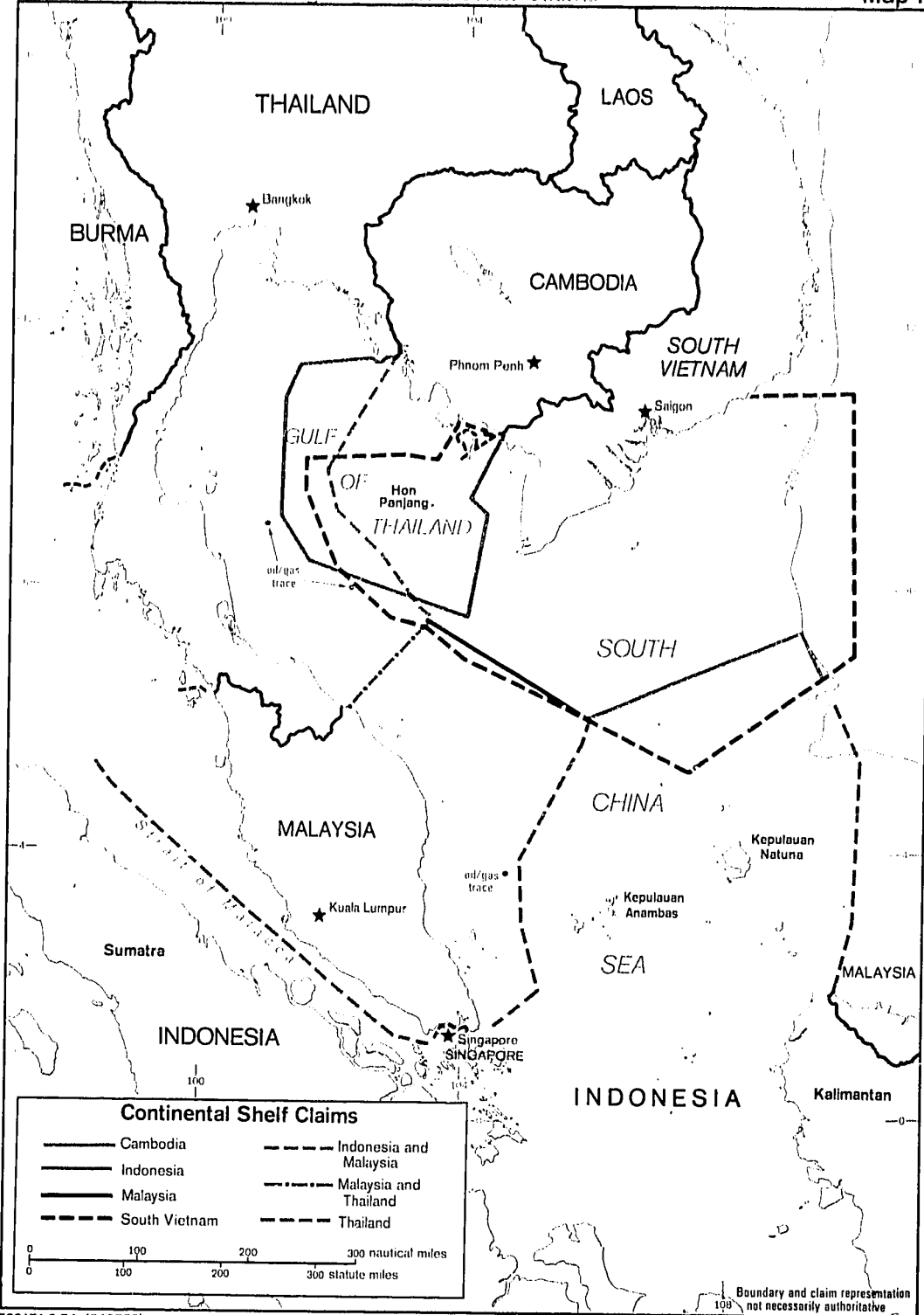
Seabed Jurisdictional Issues

45. The substantive session of the Third UN International Law of the Sea Conference, slated to convene in Caracas in June 1974, will consider some of the questions of ownership of seabed resources and may provide more definitive rules for the allocation of seabed resources in the South China and East China Seas.

46. Existing international law defining jurisdiction over seabed resources on the continental shelf was formulated in 1958 by the Convention on the Continental Shelf, which gives to the coastal state jurisdiction over all resources on and under the adjacent seabed to a depth of 200 meters and

Southeast Asia: Conflicting Continental Shelf Claims

Map H



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to a greater depth where exploitation is possible. Guidelines established for the allocation of the shelf between neighboring states have proved to be inadequate. Consequently, the southwestern part of the South China Sea and the Gulf of Thailand, where depths are less than 200 meters, present a muddled picture of overlapping shelf claims. Bilateral or multilateral delimitation of shelf boundaries is needed so exploration for petroleum can proceed with a minimal threat of boundary squabbles. But only Indonesia -- with sizable oil reserves to protect -- has systematically negotiated with her neighbors to delimit shelf boundaries. Other nations have acted unilaterally (and over-ambitiously) and, consequently, extensive areas of claims are overlapping (Map II).*

47. A particularly thorny problem complicating allocation of the continental shelf in this region is the weight to be given offshore islands in delimiting seabed boundaries. More than one-third of South Vietnam's 120,000-square-mile continental shelf claim is disputed because inequitable methods were used by the contending countries to determine boundaries. For example, South Vietnam used the equidistance principle to draw a median line with Indonesia but disregarded the sizable Indonesian islands in the Anambas and Natuna groups in making this determination. Indonesia, on the other hand, has considered these islands in drawing her median line. As a result, a disputed area of about 12,000 square miles of shelf exists between the two countries. Cambodia has maximized her claim through the use of islands such as the contested Hon Panjang -- no more than 5 square miles in area, virtually unpopulated, and 78 miles from the mainland -- as reference points from which to determine median lines with her neighbors. The unresolved sovereignty status of the Phu Quoc and neighboring islands in the Gulf of Thailand has created overlapping continental shelf claims by South Vietnam and Cambodia. Thailand has also maximized her cut of the shelf by using her own offshore islands as reference points while disregarding those of her neighbors.

**South Vietnam's shelf claim does not conform to the 1958 Continental Shelf Convention; its eastern boundary encloses areas of seabed well outside the 200-meter isobath.*

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48. All of the nations bordering the southwestern part of the South China Sea and the Gulf of Thailand have granted petroleum exploration concessions within their continental shelf claims. South Vietnam has granted concessions on only eight of her 30 concession blocks, none of them in disputed areas, but awards to bidders in several more blocks are expected early this year. Thailand has signed contracts with seven oil companies to explore in all 19 of her concession blocks in the Gulf, at least 11 of which extend into disputed waters. Cambodia has granted two concessions, both of them overlapping with concession areas of her neighbors. Indonesia and West Malaysia also have granted concessions that extend into contested areas. Most exploring companies have avoided drilling too close to contested waters. Tenneco and Union, holding exploration contracts from Thailand, have, however, discovered promising oil and gas traces in exploratory wells that are just west of Cambodian and South Vietnamese shelf claims. Discovery of exploitable deposits either here or near any disputed zone will, at a minimum, reduce the chances for early resolution of conflicting continental shelf claims.

49. In the northeastern sector of the South China Sea, jurisdiction over resources of the area outside the 200-meter isobath -- including the contested Paracels, Spratlys, and Pratas Island -- presents a different but equally complex picture. Existing international law does not provide specific rules for determining the jurisdictional limits in semi-enclosed water bodies, such as the South China Sea, where much of the seabed lies at depths of more than 200 meters. The critical issue of determining sovereign rights in such cases is whether the seabeds should be allocated to the states around and in the sea using a median line principle or some modification of it, or whether all seabeds deeper than 200 meters should be considered to be international property. If the former criteria are used, alignment of medians between the claimants clearly will be greatly influenced by the sovereignty status of such island groups as the Paracels and Spratlys. For example, alignment of medians between PRC-claimed and -occupied territory in the Paracels and territory of other South China Sea states will permit Peking to claim a large chunk of the seabed outside the continental shelf. If the latter criteria are used, owners of the islands not on the continental shelf -- including the Paracels, Spratlys, and Pratas Island -- can claim jurisdiction over seabed resources out only to the 200-meter isobath around individual islands, which in most cases is no more than a few miles (Map B).

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50. The semi-enclosed sea issue is on the LOS Conference agenda and may well be brought up by littoral nations seeking to establish exclusive resource jurisdiction in their sea areas. What is certain to come up, however, is a widely supported proposal for an expanded coastal-state resource jurisdiction zone. The limit most likely to be adopted, 200 miles, would grant the coastal state jurisdiction over all resources in and under the seas for a distance of 200 miles from the low-water shoreline. (Where distances between different jurisdictions are less than 400 miles, median lines would be constructed.) Thus the nation that successfully asserts sovereignty over the islands in the South China Sea will have bases from which to claim vast portions of the seabed. A 200-mile zone extending along the coastal states and around the islands would blanket the entire Sea.

51. The only parts of the northeastern sector of the South China Sea to be divided into concession blocks by a coastal state are off the west coast of Taiwan and off the northwest coast of the Philippine island of Palawan. Until the PRC makes her shelf claim, the Taiwan concession area presents no problem. The concession blocks of the Philippines, however, reach well outside her continental shelf and into the northeastern part of the contested Spratlys, where islands have recently been occupied by Philippine military forces. One of the blocks in the Spratlys reportedly has been awarded to the Seafront Petroleum Company for exploration. The Philippines Government argues that the trench extending between Palawan and the Spratlys, which is more than 2,000 meters deep, does not mark the edge of the Philippines' continental shelf; it maintains that the trench is only an irregularity in the shelf, which in actuality extends into the Spratlys. Most of the seabed within the Spratlys, however, lies at depths exceeding 200 meters. In view of the relatively deep waters and uncertain sovereignty of the Spratlys, neither Seafront nor any other company is likely soon to move its exploration equipment into the islands.

52. The continental shelf in the East China Sea presents still another sovereignty puzzle, the result of the use of different criteria by the contending states to define their shelf claims. While none had officially claimed any part of the shelf prior to 1968, the presumption of oil in the seabed following promising geophysical surveys produced a flurry of unilateral pronouncements. Much of the difficulty in defining boundaries on the shelf relates to

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the presence of the 2,700-meter-deep Okinawa Trough, which lies between the Ryukyu Islands and the Senkakus and stretches from Kyushu to Taiwan. Although Taiwan considers the China portion of the shelf to extend eastward only to the western edge of the Trough (the PRC has remained relatively quiet on this issue), Japan contends that the Trough is merely an irregularity and that the shelf actually ends just east of the Ryukyus. This definition would grant to Japan jurisdiction over a considerably larger piece of the East China Sea seabed than if the edge were determined to lie west of the Trough. Taiwan's shelf claim and that of South Korea (which overlaps claims of both Taiwan and Japan) are based on the questionable "natural prolongation of land territory" concept, which presumes that the undersea extension of a state's land territory is clearly evident on the sea floor.

53. Taiwan, Japan, and South Korea have all parceled out petroleum concession blocks on their shelf claims. The oil strike recently reported in Taiwan's Gulf Oil concession, 100 miles west of the Senkakus, indicates that a sizable oil field may be discovered in an area of conflicting concessions. The likelihood that the PRC may soon define her shelf claim will add another potentially explosive factor to the East China Sea Continental Shelf dispute.

Political Implications and Outlook

54. The claimants to the islands and adjacent seabeds are a diverse lot with conflicting national interests. There is the clear possibility that current disputes over the islands will become yet another major source of friction among them.

55. Most serious is the possibility for upset in relations among the major powers. China and Japan obviously have a problem in the Senkakus sector if and when Japan follows Taiwan's lead in exploring its oil potential. At that point, Peking can be expected to assert its claims more vigorously than before. Urgently in pursuit of oil supplies close to home, Tokyo can be expected to hold its legal ground in order to maintain a bargaining position in the anticipated negotiation over division of continental shelf resources. While neither China nor Japan would want to jeopardize its larger interests vis-a-vis the other by resorting to force -- and a military confrontation seems

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highly unlikely -- harsh and threatening words might be used, leading to strains in a relationship that presently seems destined to flourish.

56. Although not a party to any of the island disputes, the US might also find its relationship with China impaired in certain circumstances. There is the recognized problem of American-owned and -operated oil exploration vessels and drilling rigs, liable to Chinese harassment if they venture into waters claimed by Peking. Beyond this is another potential US problem in the unlikely event that Peking tries to seize Nationalist-held Pratas. This might call into question the basic assumptions of the Sino-US detente. The Chinese are well aware of this, of course, and it is a major incentive for caution on their part. The US would also face a dilemma if China moved militarily into the Spratlys.

57. China's relations with the Southeast Asian nations -- except for the two Vietnams -- do not appear to have been harmed by its precipitate military action in the Paracels, though the Chinese may now seem a bit more menacing to some local leaders. Even without further Chinese military action in the region, there may be additional incentives for Southeast Asians to maintain a common front on such issues as the pace of establishing diplomatic relations with Peking. Events might also lead, of course, to new and expensive military competition between such claimants to the Spratlys as the Philippines and South Vietnam, and in the Gulf of Thailand, between South Vietnam, Cambodia, and Thailand. Progress toward regional cooperation might thereby be hampered.

58. In pointing up major political implications of the East Asian island issue, it should be emphasized that none of the claimants presently appears to be looking for a fight with the Chinese. The avoidance of conflict is hinged, however, on Peking's willingness -- now that the Paracels issue is out of the way -- to settle its claims through negotiation in the course of generally improving relations with the various claimants. The Chinese have repeatedly stated that this is the direction in which they are moving, and have reiterated this, publicly and privately, since the Paracels incident. China would probably have considerable time in which to expect improvement in its relations with other nations and to negotiate agreements on ownership of these islands. But the accelerating search for oil seems likely to force the issue in some cases.

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