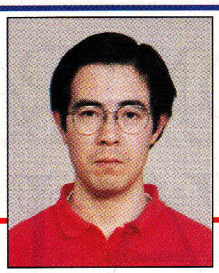
THE 5TH COLUMN



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The Japan Card

By Koichi Sato

As tensions between the Chinese and Filipinos heat up over the Mischief Reef in the contested Spratly Islands, Japan has remained aloof. But the Spratlys are quite familiar to some Japanese, if only because Japan occupied these islands and reefs in 1939 and the Japanese imperial navy used Taiping Dao as a submarine base.

At the 1951 San Francisco conference ending the Pacific war, however, Japan renounced all rights to the Spratlys. Although the conference clearly decided that Japan did *not* own the islands, it never resolved who did. The dispute over ownership continues to this day, with China, Taiwan, the Philippines, Malaysia, Vietnam and Brunei all having staked claims.

Yet while Japan is not directly involved in the Spratlys affair, its indirect influence is strong. Primarily it acts as an important check on Chinese ambitions. China knows that any naval adventurism in the region might bring about economic sanctions from Tokyo. It might provoke the Japanese Maritime Self-Defence Force; Japan well remembers the Chinese naval menace to the Senkaku Islands in 1978, which are claimed by Beijing, Tokyo and Taipei. And the participation of Japanese oil companies in the Spratlys further complicates the equation for anyone seeking to resolve the issue through force. For all these reasons Japan has an interest in the Spratlys. And because this is accompanied by no territorial claim, Japanese involvement may suggest a resolution.

Fear of economic sanctions would have to rank high in Chinese calculations, if only because Japan is China's biggest source of official loans and foreign investment. Official and private Japanese loans to China amounted to $4.9 billion in 1993 (actual use). These Japanese loans, moreover, are seen by other investors as an insurance policy because they suggest stability. Were China to clash with some other claimant in the Spratlys or provoke Japan in the Senkaku Islands, official loans — some 72.3% of the Japanese total loans to China — could easily be cancelled. And if Japan withdrew its official loans, both foreign and Japanese private investment would likely follow suit.

Now it is highly doubtful that China or anyone else would desire an out-and-out confrontation with Japan in the Spratlys. But there is always the possibility of an accident. The simple truth here is that were such an accident to happen, the Chinese navy is simply no match for Japanese forces. Although the Japanese forces do not have the capability to dispatch troops abroad because of the lack of an aircraft carrier and escort fleet, their equipment is modern and they have a long history of open-sea exercises — both on their own and with the U.S. Navy.

> ‘Because Japan's interests in the Spratlys is accompanied by no territorial claim, its involvement may hold the key to a resolution’

Of course, the situation of the Spratlys is complicated. In 1991, the Malaysian Government reportedly asked a Japanese tourist company to help develop the fishing resort of Terumbu Layang-Layang (an artificial island on a reef in the Spratlys occupied by Malaysia). The Chinese, for their part, then permitted an American company, Crestone, to explore for oil in the Spratly area. Likewise, Vietnam granted a similar concession to a consortium that included Japan's Nishoiwai and America's Mobil Oil, not to mention its ongoing joint venture with the Russians. Finally the Philippines has approved a venture with the U.S. company, Alcorn.

Although the ostensible purpose of these ventures is oil, the subtext is sovereignty. The countries involved all hope that by enlisting foreign companies they are in fact enlisting the help of foreign powers to back up their claims to sovereignty. But the multiplication of foreign oil companies in reality means only further stalemate: none is in the position of risking a clash with the others.

So now we are back to square one, where some kind of agreement for joint development remains the only practical solution. Already the Asean Regional Forum and the South China Sea Workshop (organized by Indonesia) have taken up the issue, and these are welcome starts. They will help facilitate cooperation in a host of areas ranging from monitoring weather information to the interaction of military forces.

In all this, the nations involved might expect Japanese help. Indeed, there exists a strong precedent for this. In 1968, Japan established the Malacca Strait Council as a non-governmental organization that was to assist in hydrographic surveys, install navigational aids such as lighthouses (all donated by Japan) and clear navigational fairways for Singapore, Indonesia and Malaysia. Although the British and Dutch authorities had published a navigational chart of the Malacca Strait in 1936, that chart did not anticipate today's supertankers and large container ships. Nor did it indicate the sand bars or rocks at depths of 20 metres. British authorities asked for Japan's help.

At the time, Japan was one of the largest users of the strait, and the three countries involved — Singapore, Indonesia and Malaysia — were not in the mood for cooperation. The Japanese were able to take the lead to resolve the navigational issues, and because it was done through a non-governmental organization, it avoided any taint of Japanese assertiveness. Whether this approach would work in the Spratlys is anyone's guess. But it worked before, and there are precious few other alternatives on offer. It's a decision Japan can not make itself. The disputants must take the first step. ■