

The PRC's South China Sea Policy and Strategies of Occupation in the Paracel and Spratly Islands

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The People's Republic of China's (PRC's) two basic considerations in forming a South China Sea policy are China's domestic situation and the regional international environment. In the early stage of PRC history, the Beijing government was too busy with power-consolidation campaigns to attend to affairs relating to the islands in the South China Sea. However, the desire to become a sea power and changes in the regional situation led Beijing to wish to expand into the South China Sea. First, successive outbreaks from the end of World War II to the 1970s—including the Korean War, the artillery war across the Taiwan Strait, and the Vietnam War—enabled the United States to gain leadership as well as control over the sea lanes of communication in the Western Pacific, thus imposing constraints on the PRC's expansion into the South China Sea. Second, the PRC navy has developed slowly and has so far been unable to expand into blue waters. The PRC's emphasis, therefore, has always been on coastal defense and its policy toward the South China Sea has been defensive by nature. In the post-Cold War era, a multilateral security mechanism has emerged in the Asia-Pacific region and member states of the Association of Southeast Asian Nations (ASEAN) have also proposed to conclude a code of conduct on the South China Sea. Although having so far insisted on resolving the Spratly (Nansha) Islands dispute through bilateral talks, Beijing may modify its South China Sea policy when substantive negotiations for the Code of Conduct on the South China Sea are held.

KEYWORDS: South China Sea; PRC; the Spratlys; the Paracels; code of conduct

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The People's Republic of China's (PRC's) South China Sea policy has been influenced by the regional international situation, domestic power consolidation, and sea power expansionism. Successive outbreaks from the end of World War II to the 1970s—including the Korean War, the artillery war across the Taiwan Strait, and the Vietnam War—enabled the United States to gain leadership as well as control over the sea lanes of communication in the Western Pacific region, thus imposing constraints on Beijing's expansion into the South China Sea. In addition, the PRC navy developed rather slowly, with Beijing being incapable of expanding into blue waters. Beijing's emphasis, therefore, was on coastal defense and its South China Sea policy was thus defensive by nature. In that period, domestic political stability also had a role to play. Too occupied by the series of anti-Rightist and anti-capitalist political and social movements launched to consolidate power after its own founding, the PRC had little time for affairs relating to islands in the South China Sea. That was the reason why in the period from the 1951 San Francisco Peace Conference to the clash between the PRC and South Vietnam in the Paracel (西沙 Xisha) Islands in January 1974, the PRC always followed a conservative policy—claiming only oratory ownership of the islands in the South China Sea.

The PRC's active expansion into the South China Sea began with the PRC naval operations to expel South Vietnamese troops from the Paracels in January 1974. Why did Beijing desire to take control of the Paracels at this juncture? First, with the issuance of a joint communiqué in Shanghai in February 1972, Beijing and Washington established a preliminary relationship of strategic cooperation. As the two countries would join hands against the Soviet Union, Washington's response to Beijing's military moves in the South China Sea would surely be low-key. Second, at that time, the South Vietnamese government was on the brink of collapse as Saigon was in danger of being seized by the Vietcong at any moment. The South Vietnamese troops deployed on the Paracels were far from being ready for combat and the Saigon government could provide only limited support if war should break out. Third, with the withdrawal of U.S. troops from Vietnam after the conclusion of the 1973 Paris Peace Agreement,

Washington-Saigon military cooperation was greatly weakened. Should another war break out, the United States would not send troops to the area to assist South Vietnam. Fourth, at that time, in order to develop military cooperation with and acquire military assistance from Beijing, North Vietnam had on many occasions recognized the Paracels as Chinese territories,¹ and would very unlikely interfere with Beijing's moves to occupy the Paracels. After a careful evaluation of the changes in the international situation, Beijing chose an opportune time to dispatch its navy to drive the South Vietnamese troops from the Paracels.

After the end of the Vietnam War in April 1975, Southeast Asian nations resumed diplomatic relations with Vietnam. Vietnam, however, became ambitious and invaded Cambodia at the end of 1978. The Association of Southeast Asian Nations (ASEAN) and Western countries therefore joined hands to check Vietnam's expansion. Beijing's initiation on February 17, 1979, of a "punitive war" against Vietnam led to the emergence of a strategic relationship between ASEAN member states and the PRC, and a thawing of bilateral relations took place. Under the pretext of the common strategic need of containing Vietnam, Beijing began to act more audaciously in the South China Sea.

At the end of April 1983, Vietnam increased the number of its troops stationed on Amboyna Cay (安波那沙洲)—a small island in the South China Sea under its occupation—from 50 to 150. From May 16 to June 14 of the same year, the PRC navy conducted for the first time a long-distance navigation training exercise to James Shoal (曾母暗沙 Zengmu Ansha). The fleet, commanded by the navy's deputy chief of staff Zhang Xusan (張序三) and consisting of a depot ship (No. X950) and a transport vessel

¹North Vietnam's vice-minister of foreign affairs told Chinese charge d'affaires ad interim to Vietnam on June 15, 1956 that historical documents indicate that Xisha and Nansha are Chinese territories. The Asian Department acting director of the North Vietnamese Foreign Ministry who was present also spoke of concrete Vietnamese documents regarding the issue, pointing out that as early as the Song dynasty, Xisha (the Paracels) and Nansha (the Spratlys) were China's territory. See Wang Keju, "Vietnam's Contradictory Stand on Questions Concerning Islands in the South China Sea as Viewed by International Law," in *Nanhai zhudao xueshu taolunhui lunwen xuanbian* (A collection of papers presented at the symposium on islands in the South China Sea) (Beijing: Ocean Development Strategy Institute of the State Oceanic Administration, 1992), 3-7.

(No. 832), departed from the Zhanjiang Port (湛江港) on May 16 and arrived at James Shoal on May 22.² This PRC naval operation did not encounter any objection from ASEAN member states as none were aware of Beijing's military intention. On June 5-12 of the same year, the members of the Five-Power Defense Arrangement—Australia, New Zealand, Britain, Malaysia, and Singapore—jointly held a seven-day naval exercise in the South China Sea code-named "Starfish." Shortly after that, the Malaysian navy announced on August 22 its occupation of Swallow Reef (彈丸礁 Danwan Reef).³ Judging by the fact that at that time the littoral states of the South China Sea were scrambling to expand into the Spratly (南沙 Nansha) Islands, the PRC expansion into the South China Sea was not exceptional enough to arouse coordinated resistance by ASEAN member states.

Later, although the confrontation over the Cambodian issue remained unchanged, the littoral states of the South China Sea did not slow their efforts to occupy small islands and reefs in the area. Similarly, the PRC became more active in expanding into the Spratlys. Occupation of islands was carried out on the pretext of scientific research. In 1988, Beijing's sea battle with Vietnam over Johnson Reef (赤瓜礁 Chigua Reef) turned a new page in the history of military conflicts in the Spratlys. Before that year, Beijing had not had any military bases in the Spratlys. Changes in the situation, however, led Beijing to conclude that having bases in the area was very important to the development of a blue-water navy. Beijing has since then adopted a more flexible and pragmatic South China Sea policy.

The Occupation of Johnson Reef

The South China Sea Oceanography Institute of the Chinese Academy of Sciences (CAS) conducted a comprehensive multidisciplinary sur-

²Editorial Department of the Contemporary China Series, ed., *Dangdai Zhongguo haijun* (The navy of contemporary China) (Beijing: Zhongguo shehui kexue chubanshe, 1987), 479-80.

³*Sing Tao Jih Pao* (Sing Tao Daily) (Hong Kong), September 16, 1983.

vey in the Spratlys from 1984 to 1986. Fact-finding investigation was carried out on several Spratlys islands and a relatively precise topographic map of James Shoal was made by means of satellite positioning. In February 1986, the CAS's Earth Science Division organized a special report by experts on James Shoal, based on which a book entitled '*Zengmu Ansha—Zhongguo nanjiang zonghe diaocha yanjiu baogao* (曾母暗沙—中國南疆綜合調查研究報告 James Shoal—A comprehensive survey report on China's southern boundaries) was later published.

In early 1987, the PRC applied to the United Nations Educational, Scientific, and Cultural Organization (UNESCO) for the establishment of ocean observation posts in the Spratlys. In March of the same year, at its fourteenth meeting in Paris, UNESCO's Oceanic Committee formally entrusted the PRC with the task of building two permanent observation posts in the Spratlys. Vietnam's representatives, who were present on that occasion, did not raise any objections.⁴ Thus, Beijing began a series of oceanic scientific research and survey activities in the Spratlys.

From April 4 to early May 1987, a CAS team conducted a comprehensive multidisciplinary survey of the Spratlys and contiguous waters. The team included a group of experts charged with searching for traces of human activities in the Spratlys. These experts visited ten islands and reefs including Pengbo (蓬勃), Xianbin (仙濱), Xinyi (信義), Xian'e (仙娥), Mischief (美濟 Meiji), Ren'ai (仁愛), Niuchelun (牛車輪), Haikou (海口), Jianzhang (艦長), and Half Moon (半月 Banyue) reefs. In the Damianzhan Work Zone (大面站工作區), they used various instruments, including fishing dragnets and bottom trawls, to collect relics of human activities at the bottom of the sea. In Pengbo, Xianbin, Haikou, and Jianzhang reefs, they discovered the remains of four sunken ships, coffin parts, pieces of wood and porcelain, and enamel dishes. Collected from the bottom trawls of the Damianzhan Work Zone were pieces of wood, iron cement, and fumigatory

⁴Wen Wei Po (Hong Kong), April 10, 1988, 9. There was another report saying that the PRC had requested UNESCO approval for the establishment of five oceanic observation posts, including one in the Paracels and one in the Spratlys. See Okinaka Urano and Yohsiaki Tazawa, "Postwar Disputes over the Islands in the South China Sea," *Seikei kenkyu* (Political and Economic Studies) 31, no. 4 (March 1995): 110.

dregs.⁵ During the nine fact-finding tours to the Spratly waters from 1987 to 1990 that were participated in by more than three hundred scientists and technicians, the PRC obtained a large quantity of valuable data and specimens.⁶

From May 16 to June 6, 1987, the South China Sea Fleet of the PRC navy organized a large flotilla to patrol the Spratly waters, and for the first time seaborne supply and combat drills were performed. Sailing with the fleet was a scientific research boat, *Xiangyanghong* (向陽紅) No. 5, owned by the PRC State Oceanic Administration (SOA). The scientists conducted on-the-spot investigation and surveys on Fiery Cross (永暑 Yongshu) and Cuarteron (華陽 Huayang) reefs, and erected on each of the two reefs a tablet made of cement and concrete bearing an inscription declaring PRC sovereignty. On August 7, the SOA and the PRC navy submitted to the PRC State Council and Central Military Commission a report on the schedule for the construction of observation posts in the Spratlys as well as the posts' whereabouts and sizes. On October 13, the PRC East China Sea Fleet dispatched ships to patrol the Spratly waters. Accompanying the fleet was also an electronic reconnaissance ship (No. V350), which used high-precision satellite positioning devices to perform yet another survey of Fiery Cross Reef. On November 6, the State Council and the Central Military Commission approved the construction of an observation post on Fiery Cross Reef.

From December 1987 to January 1988, the PRC navy held exercises in the South China Sea and the Western Pacific. On January 21, 1988, four naval ships arrived in the Spratlys. One of the ships (No. 522), an escort ship equipped with missiles, transported engineers, workers, and building materials to Fiery Cross Reef to begin the construction of an observation post. On the following day, Vietnamese naval vessels arrived in nearby waters to observe the activities but left without causing any disturbance.

⁵Li Baotian and Wang Yingjie, "The Spratly Islands Have Been Our Territories Since Ancient Times," *Wen Wei Po*, May 25, 1988, 7, 9.

⁶Chen Juemin and Liu Quanrui, "Comprehensive Oceanic Surveys in Nansha: Progress and Achievements," *Jing-Gang xueshu jiaoliu* (Beijing-Hong Kong Academic Exchanges) (Hong Kong), no. 8 (December 1990).

On January 31, 1988, transport ship No. 661 of the Vietnamese navy and Vietnamese armed fishing boat No. 712 sailed from West Reef (西礁 Xi Reef) toward Fiery Cross Reef, carrying on board building materials and more than forty personnel. The ships were intercepted and driven away by four PRC naval vessels. From February 1 to 7, 1988, a total of eleven vessels—including ships of the East and South China Sea fleets and a crane barge of the Shanghai Salvage Bureau—arrived at Fiery Cross Reef. Naval vessels were also sent on fact-finding tours to Great Discovery (大現 Daxian), Cuarteron, East (東 Dong), South (南 Nan), Johnson, Qiong (瓊), Nailuo (奈羅), Zhubi (渚碧), and three other reefs. The PRC air force also undertook patrols in the area of these reefs.

On February 17, 1988, the PRC navy dispatched missile destroyer No. 162 and engineering vessel No. 147 to Cuarteron Reef to monitor the movements of the Vietnamese navy. The Vietnamese navy also sent two minesweepers to the reef. The two navies thus confronted each other at sea. On the following day, PRC naval personnel landed on the reef before their Vietnamese counterpart could do so. Vietnamese naval forces did not dare to land. Following the retreat of the Vietnamese after a four-hour-long stalemate, Beijing proceeded to build an observation post on the reef. The Vietnamese Foreign Ministry then accused Beijing of encroaching upon Vietnamese territory. The PRC Foreign Ministry responded on February 21 by issuing a statement refuting Vietnam's accusation. On February 25, the Vietnamese daily *Dhan Dan* (The People) also lashed out at the PRC for occupying Vietnamese islands in the Spratlys.⁷

On March 13, 1988, a PRC survey team went to Johnson Reef and Jiuqin Shoal (九沁沙洲) for some time. At 6:25 a.m. on March 14, two Vietnamese transport vessels (No. 604 and No. 605) and a landing ship (No. 505) arrived and forty-three Vietnamese armed soldiers landed on Johnson Reef. Members of the PRC survey team also went ashore and requested the Vietnamese to leave. At 8:47 a.m., a Vietnamese soldier fired

⁷For the historical background of the PRC's expansion to the Spratlys, see Chen Hurng-yu, *Nanhai zhudao zhi faxian, kaifa yu guoji chongtu* (The discovery and development of the South China Sea islands and international conflicts) (Taipei: Guoli bianyiguan, 1997), 237-41.

at and injured a PRC surveyor named Yang Zhiliang (楊志亮). The Vietnamese transport vessel No. 605 then used machine guns against the Chinese surveyors on the island as well as the Chinese vessels on the scene. This was followed by a twenty-eight-minute-long cannon battle between the vessels of both sides. When the war was over, Vietnamese transport vessel No. 604 was sunk; the other two Vietnamese vessels suffered heavy damages; and three Vietnamese were dead, twenty-one injured, seventy-four missing, and nine captured. The PRC side, however, did not suffer any deaths and only one person was injured. On March 15, 1988, the Vietnamese government submitted to the UN a statement regarding this clash with the PRC (registered by the UN as Document No. S/19625;A/43/218) and on the following day Beijing also sent to the UN a formal statement on the same incident (registered by the UN as Document No. S/19634; A/43/221). On March 17 and 23, Vietnam twice requested Beijing to begin negotiations. On March 24, the PRC Foreign Ministry informed the Vietnamese Foreign Ministry that Beijing refused Vietnam's request for negotiations and demanded that Vietnam withdraw all troops from the Spratlys.⁸

In early April 1988, under the pretext of searching for soldiers lost during the sea battle, Vietnam dispatched more than thirty vessels to land on Guihan (鬼喊) and Great Discovery reefs, reinforcing its military facilities on Great Discovery, Liumen (六門), Tennent (無七 Wumie), Nanhua (南華), and East reefs, occupying Bolan (舶蘭) and Nailuo reefs.

In order to refute Vietnamese claims, the PRC Foreign Ministry made public on May 12, 1988 a memorandum on problems concerning the Paracel and Spratly islands, reiterating Beijing's sovereignty over these two archipelagoes.⁹ In June, Vietnamese troops landed successively on Pengbo Shoal, and Vanguard (萬安 Wan'an) and Guangya (廣雅) banks, although they did not occupy these islands. This aroused protests from

⁸*Renmin ribao* (People's Daily), March 25, 1988, 1. However, according to Vietnam, before noon on March 14, in waters off Qiong, Guihan, and Zhangxi (漳溪礁) reefs near Jinghong Island, PRC military vessels Nos. 502, 506, and 531 suddenly opened fire at two Vietnamese transport vessels, with Vietnamese troops then returning fire in self-defense. See Urano and Tazawa, "Postwar Disputes over the Islands in the South China Sea," 113.

⁹*Jiefangjun bao* (Liberation Army Daily), May 13, 1988, 4.

Beijing.¹⁰ In August, the PRC erected markers on the seven islands and reefs under its occupation, asserting its sovereignty.

On August 2, 1988, Beijing announced that the Fiery Cross Reef Oceanic Observation Post, whose construction had been entrusted by UNESCO, was completed after 189 workdays. On November 19 of the same year, PRC destroyer No. 134 shelled Vietnamese naval vessel No. 505, which was cruising near Great Discovery Reef. Vietnam addressed a formal protest to Li Shichun (李世淳), Beijing's ambassador in Hanoi. Beijing, however, refuted Vietnam's protest by denying that any attacks were undertaken by Chinese vessels.¹¹

At the end of April 1989, the PRC again occupied a small island in the Spratlys. An inspection tour to the Spratlys by the Vietnamese Defense Minister Le Duc Anh with the Vietnamese Chief of Staff Lt. Gen. Doan Khue in early May of the same year aroused a protest from Beijing.¹² Accompanied by two deputy defense ministers, Doan Khue conducted in early May 1990 another inspection tour of the Spratlys.¹³

In May 1992, the PRC's China National Offshore Oil Corporation (CNOOC) contracted with the U.S.-based Crestone Energy Corporation (CEC) to explore for oil in the Vanguard Bank area in the western part of the Spratlys. The area for exploration, named the Vanguard North No. 21 Contracted Zone, comprised a total of 25,000 square kilometers in an area lying between 109-110° east longitude and consisting of five reefs and banks (Vanguard, Guangya, Xiwei 西衛, Renjun 人駿, and Lizhun 李準). The area was about 289 kilometers off the Vietnamese coast and only 273 kilometers from Vietnam's Spratly Island (南威島 Nanwei).¹⁴ During negotiations held in Hanoi from December 13-15, 1993, Vietnam's National Oil Corporation requested that CEC President Randall Thompson cancel the CEC's contract with Beijing to jointly explore for oil in the Spratlys, as

¹⁰*Lianhe zaobao* (United Morning Post, Singapore), September 30, 1989, 36.

¹¹*Renmin ribao*, November 25, 1988.

¹²*Lianhe zaobao*, May 8, 1989, 2; *ibid.*, May 12, 1989, 29.

¹³*Ibid.*, May 9, 1990, 2.

¹⁴Lu Ning, "The Beijing-Hanoi Dispute Concerning the Waters in the West of the Paracels and the Spratlys as Viewed by the Law of the Sea," *ibid.*, August 27, 1993, 23.

Vietnam insisted that such a contract was a violation of international law and an encroachment upon the Vietnamese continental shelf.¹⁵ The position of the CEC, however, remained unchanged. In early 1994, Vietnam signed a contract with U.S.-based Mobil Oil Corporation for joint exploration of oil in the Blue Dragon (青龍 Qinglong) Oil Field, located precisely at the western rim of the Vanguard West Basin. The contracted area partially overlapped with waters claimed by the PRC. This led to the lodging of a protest by Beijing and interference by each of the two sides with the other side's oil exploration activities.¹⁶

In April 1994, five Vietnamese gunboats drove away from the Vanguard North mining area a PRC vessel engaging in oil exploration, but there was no immediate reaction from Beijing.¹⁷ At a press conference on April 21, PRC Foreign Ministry spokesman Wu Jianmin (吴建民) pointed out that over the past several years Vietnam had conducted a large quantity of gas exploration activities in Chinese-claimed waters. He emphasized that those activities were both illegal and an encroachment on the PRC's sovereign rights. The spokesman did not, however, point out exactly which of Vietnam's oil exploration activities had encroached upon PRC sovereignty. On April 25, Vietnam's National Oil Corporation called for the termination of oil exploration activities by the CEC in the Spratlys because the corporation's exploration area was located exactly within Vietnam's exclusive economic zone and on Vietnam's continental shelf. On April 27, the PRC Foreign Ministry reiterated that the contract between Beijing and the U.S. oil corporation was absolutely legal, emphasizing that PRC sovereignty over the Spratly Islands and contiguous waters was beyond all doubt. On May 7, Beijing announced its ownership of the Blue Dragon Oil Field to the west of the Vanguard Bank and emphasized that joint exploration of oil by Vietnam's National Oil Corporation and the U.S.-based

¹⁵Ibid., December 20, 1993, 28.

¹⁶See Chen Hurng-yu, "Oil Politics in the South China Sea," *Dongnanya jikan* (Journal of Southeast Asian Studies) (National Chi Nan University, Nantou, Taiwan) 1, no. 3 (July 1996): 25.

¹⁷Nayan Chanda, "Show of Force: China Silent over Vietnam's Naval Intervention," *Far Eastern Economic Review*, October 13, 1994, 29; *Zhongguo shibao* (China Times, Taipei), August 23, 1994, 9.

Mobile Oil Corporation in the area had encroached upon the rights and interests of the PRC. In response, Vietnam immediately lodged a protest and a refutation.¹⁸ The Vietnamese government especially entrusted Brice M. Clagett, an American lawyer, with the publication of an article to support its claim of sovereignty over the Vanguard Bank and Blue Dragon areas.¹⁹

Contending for Mischief Reef

In view of the fact that littoral nations of the South China Sea were occupying a growing number of islands and reefs in the central Spratlys, the PRC realized that gaining new footholds there would be increasingly difficult. Beijing thus sought to establish new bases in the eastern area of the archipelago and began planning for the occupation of Mischief Reef (a reef near the Philippines) in 1994. On January 24, 1995, the Philippine Coast Guard revealed that a Philippine fishing boat named *Analita* working near Mischief Reef had been detained for a week by PRC naval forces until being released on January 17. The Philippine fishermen had been warned not to talk about the activities of the naval forces on the island.²⁰ This incident caused the Philippine government to lodge a serious protest against Beijing's construction of a military base on the island. Beijing, however, claimed that the constructions were only shelters for fishing boats.

The Philippines carried out an aerial reconnaissance of Mischief Reef on January 25, 1995, according to an order issued by President Fidel Ramos, but nothing unusual was found.²¹ On January 28, a spokesman of the PRC Foreign Ministry formally denied the report regarding the detain-

¹⁸*Lianhe zaobao*, May 9, 1994, 14; *ibid.*, May 11, 1994, 18.

¹⁹Brice M. Clagett, "Competing Claims of Vietnam and China in the Vanguard Bank and Blue Dragon Areas of the South China Sea" (Part I), *Oil Gas Law and Taxation Review* (U.K.), 1995, no. 10:375-88; Part II, *ibid.*, 1995, no. 11:419-35. This author wrote a paper to refute Vietnam's claim of sovereignty over the Vanguard Bank and Blue Dragon areas last year. See Chen Hurng-yu, "Comment on Documents Claiming Vietnamese Sovereignty over the Spratly and Paracel Islands," *Issues & Studies* 35, no. 4 (July/August 1999): 149-85.

²⁰*Lianhe zaobao*, January 25, 1995, 34.

²¹*Lianhe bao* (United Daily News, Taipei), January 26, 1995, 6.

ment of a Philippine fishing boat by the PRC navy in the Spratly waters. He said that according to a Foreign Ministry inquiry, the PRC navy had not established any naval base on Mischief Reef. On February 7, a Philippine garrison vessel dispatched to Mischief Reef was driven away by Chinese soldiers stationed there.²² On February 8, President Ramos openly criticized Beijing for encroaching upon Philippine territory. He said that the establishment by Beijing of a naval base on Mischief Reef was a violation of both international law and the spirit of the 1992 ASEAN South China Sea Declaration. He also made public photographs of several Chinese naval vessels in waters near the island as well as of the structures erected on the island. The Philippine government presented a memorandum to the PRC embassy in Manila expressing their serious concern. Deng Xijun, spokesman of the PRC embassy in Manila, however, stated that Beijing had neither built a naval base on the island nor detained Philippine fishermen, adding that facilities for sheltering fishing boats from wind and rain had been built on the island by a local fishery administration of the PRC.²³ On the following day, a PRC Foreign Ministry spokesman renewed the assertion.²⁴

The Foreign Affairs Committee of the Philippine Senate urged the Philippine government to seek assistance from the UN Security Council in settling this dispute. Committee Chairman Blas F. Ople, however, warned that the Philippines must take care not to overreact.²⁵

On February 11, 1995, the Philippines modified its hard-line stance. The Philippine military announced that what the PRC had built on Mischief Reef was not a naval base, but wind shelters for fishermen, which accorded with Beijing's previous assertions.²⁶ On February 12, Philippine Secretary of Foreign Affairs Roberto Romulo said that he was considering submitting

²²"RP Seeks Support in Spratlys Row," *Bangkok Post*, February 11, 1995, 10.

²³"Ramos Accuses China of Buildup in the Spratlys," *ibid.*, February 9, 1995, 8; *Lianhe bao*, February 9, 1995, 4.

²⁴*Lianhe zaobao*, February 10, 1995, 2.

²⁵Vicente B. Foz, "No Danger Seen in Kalayaan Isles," *Manila Bulletin*, February 11, 1995, 1, 18.

²⁶*Ibid.*, February 12, 1995, 1, 8.

the Mischief Reef dispute with the PRC to the adjudication of the UN Security Council or the International Court of Justice. He opined that military terms (referring to the question of whether the Mischief Reef incident would provoke military confrontation) should not be used to describe the current situation because that would be detrimental to achieving a peaceful diplomatic settlement.²⁷ Meanwhile, Vietnam reiterated it had sovereign rights over the Paracel and Spratly islands. Hanoi protested against Beijing's construction of fishing boat shelters on Mischief Reef, what Vietnam saw as a serious issue. Vietnam emphasized its opposition to any expansionist action that would further complicate the Spratly situation and jeopardize the peace, stability, cooperation, and development of the Spratlys. Vietnam also urged that all nations involved settle disputes by peaceful means provided that the status quo was maintained.²⁸

Singaporean Prime Minister Lee Kuan Yew endorsed the PRC's proposal for joint cooperation of the South China Sea area, although some ASEAN member states opposed the idea. Philippine President Ramos was against bilateral joint cooperation between the PRC and individual nations concerned, favoring the joint cooperation of all nations involved. Obviously, consensus was yet to be achieved within the ASEAN.

At a National Security Council meeting on February 15, 1995, President Ramos reiterated that the Philippines had sovereign rights over the Spratlys. He thanked Indonesia, Vietnam, and the United States for supporting the Philippine position on the Spratlys. He confirmed that the Philippines would keep Mischief Reef under reinforced marine and aerial surveillance. He, however, made it clear that the Philippines would not resort to military means, but would seek to resolve the issue through such diplomatic channels as the ASEAN Ministerial Meeting, the ASEAN Regional Forum, and the UN Security Council.²⁹

On February 22, 1995, Ruan Chongwu (阮崇武), governor of Hainan Province of the PRC, conducted an inspection tour of the Spratlys. During

²⁷ *Lianhe zaobao*, February 13, 1995, 21; *ibid.*, February 14, 1995, 27.

²⁸ *Ibid.*, February 11, 1995, 26; *Zhongguo shibao*, February 11, 1995, 3.

²⁹ *Manila Bulletin*, February 16, 1995, 1, 8.

the tour, surveyors were sent to conduct surveys and erect markers on Wufang (五方礁) and Half Moon reefs of the Spratlys, and fifteen stone markers bearing the inscription "People's Government of Hainan Province, China" were dropped or set up on James Shoal and other reefs.³⁰

The PRC and the Philippines held annual bilateral talks in Beijing from March 19-22, 1995, during which the Mischief Reef issue was raised. No agreement was reached, however. At the end of March, the Philippine navy destroyed the PRC boundary markers on Xinyi, Ren'ai, Half Moon, Kongming (孔明礁), Wufang, Xianbin, and Dongbo (東坡礁) reefs in the Spratlys.³¹

On April 25, 1995, Philippine President Ramos made a proposal for the settlement of the Spratly issue, the main points of which included:

1. Beijing's permission for all nations involved in the Spratly dispute to jointly use the facilities on the disputed reefs, a move which would show Beijing's sincerity in resolving the issue by peaceful means;
2. construction of lighthouses and other navigation-guiding facilities in the Spratlys;
3. joint action against piracy and establishment of a joint salvage team;
4. joint oceanographic studies, fishery, and environmental protection efforts;
5. joint operations to promote tourism, such as establishing midway ports to accommodate yachts, port-to-port boat races, and divers.³²

Beijing criticized the second point of Ramos' proposal and warned the Philippines against aggravating the situation, but made no responses to the other points.

On May 11, 1995, the Philippines invited thirty-eight domestic and foreign reporters on a trip by private boat to Mischief Reef. The PRC

³⁰*Zhongguo shibao*, February 23, 1995, 9.

³¹*Lianhe bao*, March 30, 1995, 2; *New Straits Times* (Kuala Lumpur), March 30, 1995, 24.

³²*Lianhe zaobao*, April 26, 1995, 32.

troops deployed on the reef, however, prohibited the boat from docking. On May 14, by an arrangement of the Philippine government, these reporters arrived in Thitu Island (中業島 Zhongye Island) to observe the senatorial election. In mid-June, the Philippine military blew up the PRC boundary marker on an atoll six nautical miles to the northwest of Thitu Island (judging by the location, the atoll could be Tiexian Reef 鐵線礁).³³ On July 7, Philippine Secretary of Foreign Affairs Domingo Siazon Jr. announced that Beijing and Manila had agreed during recent talks to resolve their disputes in accordance with international law and the UN Convention on the Law of the Sea (UNCLOS).³⁴

During the second meeting on the Spratly disputes held in Manila on August 9, 1995, the PRC and the Philippines did not reach any agreement regarding the Mischief Reef structures. The joint communiqué issued on August 11, however, agreed on the following codes of conduct: (1) the territorial disputes between the PRC and the Philippines should not affect the normal development of the two countries' bilateral relations; (2) the disputes concerned should be resolved in a peaceful and friendly manner via consultations on the basis of equality and mutual respect and never be resolved by force or by the threat of the use of force; (3) both sides agreed to resolve disputes in accordance with the norms of international law, including the UNCLOS; (4) both sides agreed to adopt an open-minded attitude toward constructive suggestions proposed by countries in the area in search of the development of multilateral cooperation at an appropriate time; and (5) both sides agreed to promote cooperation in such areas as marine environment, navigation safety, anti-piracy, oceanographic studies, ending and averting disasters, search and rescue, meteorology, and control of marine pollution. They also agreed that multilateral cooperation in some of the aforementioned areas would be eventually established, that the nations concerned would cooperate in the conservation of the maritime resources in the South China Sea, and that disputes should be resolved by the nations concerned without affecting freedom of navigation in the South

³³Ibid., June 16, 1995, 33.

³⁴*Lianhe bao*, July 8, 1995, 6.

China Sea.³⁵ The announcement of this position by the PRC was considered by Southeast Asian nations as a sign of Beijing's modification of its previous hard-line Spratly policy.

In 1996, the PRC and the Philippines agreed to establish three consultation mechanisms, including a working group for fishery cooperation, for marine environmental protection, and for confidence-building measures to be held in 1996, 1997, and 1999 respectively.

On July 30, 1998, PRC Foreign Minister Tang Jiaxuan (唐家璇) had a talk with his Philippine counterpart Domingo Siazon Jr. in Manila. After reiterating that the PRC held sovereign rights over Mischief Reef, Tang asserted that the simple structures on the reef were built for oceanographic monitoring and to provide shelter to fishing boats and that use of these structures could be offered to Philippine fishermen in the future.³⁶ On August 6, PRC Foreign Ministry spokesman Tang Guoqiang (唐國強) announced that the PRC had undisputable sovereign right over the Spratlys, but that out of humanitarian consideration, foreign fishermen could use PRC-built sheltering structures in the Spratlys, including those on Mischief Reef. The Philippines, however, claimed that these shelters were located within the boundaries of Philippine sovereignty, and thus objected to the joint use of fishing shelters including those on Mischief Reef.³⁷

After Philippine military aircraft had detected seven PRC naval vessels near Mischief Reef on October 28, 1998, the Philippine government lodged a protest against Beijing's construction of more military facilities on Mischief Reef as well as its stationing of armed vessels there. Manila demanded that such structures be dismantled. Beijing, however, claimed that the shelters on Mischief Reef had been seriously damaged by natural forces, and that a local PRC fishery administration was going to repair and consolidate the shelters in the near future.³⁸

On November 10, 1998, the Philippines reinforced marine and air patrols of the Spratlys. Orders were issued to all Philippine naval vessels

³⁵*Renmin ribao*, August 12, 1995, 1.

³⁶*Zhongguo shibao*, July 31, 1998, 14.

³⁷*Ibid.*, August 7, 1998, 14.

³⁸*Lianhe zaobao*, November 11, 1998, 27.

cruising the area to fire warning shots across the bows of PRC naval vessels coming within five nautical miles. The PRC embassy in Manila launched a protest against the low-altitude patrols by Philippine military aircraft over the Spratlys, warning of the potential for accidental conflict. The Philippine government then ordered its military aircraft not to fly lower than five thousand feet during patrols over the Spratlys.³⁹

The Beijing-Manila confidence-building working group held its first conference in Manila from March 22-23, 1999. Wang Yi (王毅), assistant to the PRC foreign minister, and his Philippine counterpart Lauro Baja each headed his country's delegation to the negotiations on the Spratly disputes.

During negotiations, the PRC adopted the following positions:

1. The Spratly disputes can be resolved by the two sides and UN involvement is unnecessary.
2. Beijing will strive hard to increase confidence between the two sides so that all problems can be resolved through friendly consultation.
3. Beijing will not dismantle the structures on Mischief Reef, which are for fishing rather than military use.
4. Beijing has never proposed the "joint use" of the facilities on Mischief Reef to the Philippines and "joint use" is not the correct wording.
5. That Philippine reconnaissance planes have frequently flown over Mischief Reef, often at a too-low altitude (sometimes as low as twenty-five meters above the ground), may easily cause tension.⁴⁰

The positions of the Philippine side were as follows:

1. Mischief Reef is merely 135 nautical miles from Palawan Island, hence within the exclusive economic zone of the Philippines.

³⁹*Zhongyang ribao* (Central Daily News, Taipei), November 11, 1998, 8; *ibid.*, November 12, 1998, 8.

⁴⁰*Lianhe zaobao*, March 22, 1999, 22; *Ibid.*, March 23, 1999, 26; *The Straits Times* (Singapore), March 22, 1999, 4.

2. Manila demands that facilities on Mischief Reef be dismantled.
3. Manila asks for joint use of the facilities on Mischief Reef.
4. Manila hopes that the problem of joint use of the Spratlys can be resolved by consultations before the year 2000.
5. Manila will continue to seek bilateral consultation and also multi-lateral (including the United Nations) resolution of the Spratly disputes.⁴¹

The joint communiqué issued after the meeting contained the following points:

1. Both sides will continue to seek resolutions to their disputes by means of friendly consultation.
2. Both sides will resolve their disputes in accordance with generally accepted international law, including the UNCLOS.
3. Both sides will strive to maintain stability and peace in the region and will neither resort to force nor threaten the use of force.
4. Both sides will improve the existing communication and dialogue mechanisms in such areas as fishery, marine environment, meteorology, oceanographic studies, the safety of human life at sea, maritime distress prevention, and navigation safety.
5. Both sides will expand bilateral military dialogue and cooperation, including increasing exchanges of visits by senior defense and military officials, reinforcing information exchanges, and adopting measures to avoid conflicts at sea.
6. Both sides agreed to hold the second conference of the confidence-building working group as soon as possible and Beijing will host the conference at the time and in the place agreed upon by both sides.⁴²

⁴¹Ibid.

⁴²*Lianhe zaobao*, March 22, 1999, 22; *ibid.*, March 23, 1999, 26; *ibid.*, March 24, 1999, 29; *Renmin ribao*, March 24, 1999, 6; "China Denies Offering Joint Use of Its Structures in Mischief Reef," *The Philippine Star*, March 24, 1999.

During the second conference of the confidence-building working group (held in Beijing at the end of October 1999), the PRC and the Philippines agreed not to hold any military exercises that take the other side as the imaginary enemy and that each of the two sides will inform the other beforehand about the holding of any military exercises in the Spratly waters. At the same time, Beijing expressed the desire to send observers to the joint military exercises held by the Philippines and the United States, and the Philippines promised to consult the United States on this matter.⁴³ PRC Foreign Ministry spokeswoman Zhang Qiyue (章啟月), however, asserted on November 2 that with "the situation of the Spratlys being stable, various nations concerned should strive to maintain peace and stability in that area and refrain from doing anything which could affect the stability of the area, including the holding of any military exercises directed at any side as an imaginary enemy."⁴⁴

The Contention for Scarborough Island

Scarborough Island (黃岩島 Huangyan Island), the only shoal of the Macclesfield Bank (中沙 Zhongsha) that is not submerged, is 128 nautical miles from Manila. The PRC raised a sovereignty marker on this island in 1991, which the Philippines blew up in 1996. On April 30, 1997, Philippine congressmen, naval personnel, and reporters planted on the island a Philippine national flag. On May 10, the PRC protested against a Philippine action to deter three PRC vessels from approaching the island; on board the ships were several PRC ham radio operators on a scientific inspection tour to the island. The PRC also voiced objections against a plan by the Philippine government to build a lighthouse on the island, reiterating that the island is a historical territory of China.⁴⁵ On May 23, 1999, three PRC fishing boats operating in waters close to the island were chased by

⁴³*Lianhe zaobao*, October 29, 1999, 26.

⁴⁴*Ibid.*, November 3, 1999, 17.

⁴⁵*The Straits Times*, May 19, 1997, 18; *ibid.*, May 20, 1997, 21; *Lianhe zaobao*, May 14, 1997, 23; *ibid.*, May 26, 1997, 27; *ibid.*, May 27, 1997, 32.

Philippine naval vessel BRP *Rizal* PS74. Swept by strong waves, one of the fishing boats sank after colliding with the Philippine naval vessel. Eight of the eleven-member crew on board were rescued by the other two fishing boats, and the remaining three by the Philippine navy. Immediately, the PRC criticized the Philippine government, demanding that the naval personnel who had caused the sinking of the fishing boat be punished and that US\$30,000 in compensation be given to the victimized fishermen. The PRC also accused the Philippines of encroaching upon its territory.⁴⁶ The Philippine government, however, requested overseas Chinese associations in the Philippines to donate a total of US\$60,000 to compensate the fishermen.⁴⁷

On November 3, 1999, a Philippine depot ship that was attempting to rescue a local fishing boat which ran aground became stranded on Scarborough Island. The PRC lodged a protest, demanding that the Philippines tow away the "deliberately stranded" naval vessel. As PRC Premier Zhu Rongji (朱鎔基) would attend the ASEAN unofficial summit to be held in Manila on November 28, Philippine President Joseph Estrada had the naval vessel towed away before the summit in order to express goodwill to Beijing.⁴⁸

On January 6, 2000, while patrolling waters near Scarborough Island, a Philippine naval vessel discovered six PRC fishing boats, four of which were anchored about 2.7 nautical miles off the island. The Philippine navy dispatched a rubber dinghy to drive away these fishing boats, three of which refused to leave. Later, the Philippine navy left in order to abide by the promise to peacefully resolve disputes.⁴⁹ The Philippine Department of Foreign Affairs sent a diplomatic note to Beijing in protest. However, on January 25, the Philippines again discovered four wooden-hulled fishing

⁴⁶Ibid., May 26, 1999, 26.

⁴⁷The author was informed of this when he participated in a symposium on "The South China Sea in the Twenty-first Century: Problems and Prospects," jointly sponsored by the Institute of South China Sea Studies and the Institute of Oceanic Development Strategy of the State Oceanic Administration in Haikou City, Hainan Province, and held from November 21-25, 1999.

⁴⁸*The Straits Times*, November 9, 1999, 33; *Lianhe zaobao*, November 16, 1999, 37.

⁴⁹*Zhongyang ribao*, January 10, 2000, 10.

boats and nine sampans belonging to the PRC near Scarborough Island. The Philippine navy drove them away in order to prevent them from building structures on the island.⁵⁰ On January 26, the Philippine navy boarded for inspection and then drove away a PRC fishing boat. Dissatisfied with this show of force, the PRC lodged a protest with the Philippine government. At a press conference on February 1, PRC Foreign Ministry spokesman Zhu Bangzao (朱邦造) warned the Philippines against encroaching upon PRC sovereignty over Scarborough Island and adjacent waters, stressing that such activities would cause new disputes between the two countries.⁵¹ On the following day, the Philippine escort vessel *Rajah Humabon* PF-11 fired three warning shots at two PRC fishing boats near the island. In response, Wang Yi, spokesman of the PRC embassy in Manila, announced that the behavior of the Philippine navy was a violation of the Beijing-Manila agreement to refrain from resorting to military action in the area.⁵²

According to *The Philippine Star*, Philippine fishermen reported to the Philippine navy on February 2 that they saw two PRC freighters, each twenty feet long and equipped with eight protruding pipes, working in the area about twenty-five nautical miles to the southeast of Scarborough Island. The fishermen thought that some structures were being built. However, when Philippine naval forces and reconnaissance planes arrived in the area, they discovered nothing.⁵³

The PRC's South China Sea Policy

Judging from the above, the PRC has adopted the strategy of coordinating scientific research activities with military moves in order to expand into the South China Sea. Beijing has capitalized on the changes in the re-

⁵⁰Cynthia D. Balana and Christine Avendano, "Navy to Guard Shoal from China," *The Philippine Daily Inquirer*, January 27, 2000.

⁵¹*Lianhe zaobao*, February 2, 2000, 16.

⁵²*Zhongyang ribao*, February 5, 2000, 3.

⁵³*The Philippine Star*, February 17, 2000.

gional situation in order to project its power into the Spratly area. Beijing has also made readjustments or consolidation efforts in such realms as internal affairs and legislation. Summing up, the PRC's policy toward the South China Sea consists mainly of the following points:

1. *Continuing to insist that the Paracel and Spratly islands are China's historical territories:* In addition to sorting out historical documents to prove its ownership of the Paracels, the Spratlys, and the Macclesfield Bank, Beijing carried out archeological research in the Paracel and Spratly islands for the purpose of finding historical traces of Chinese activities to prove that the Chinese have long been in the area.

2. *Including the South China Sea islands as part of the PRC territories through administrative statements and legislative procedures:* On September 4, 1958, the PRC issued a statement on territorial waters, clearly defining the width of its territorial waters as twelve nautical miles. The statement said: "This territorial water regulation applies to all territories of the PRC, including the Chinese mainland and its coastal islands as well as the islands separated by international waters from the Chinese mainland and its coastal islands, including Taiwan and its peripheral islands, the Pescadores (澎湖 Penghu), the Paracels, the Macclesfield Bank, the Pratas (東沙 Dongsha), the Spratlys, and other Chinese islands."⁵⁴

On April 24, 1982, the Chinese Toponym Commission of the PRC published standardized geographical names for a total of 287 South China Sea islands. On April 20, 1987, PRC representative to the UN Li Luyue (李鹿野) submitted to the UN Secretary-General the PRC's Sovereignty Statement on the Pratas, the Paracels, the Macclesfield Bank, and the Spratlys (UN Document No. A/42/236/S/18818). On May 13, 1988, he also presented to the UN a memorandum regarding the PRC's sovereignty over the South China Sea islands. On February 25, 1992, the Standing Committee of the PRC's Seventh National People's Congress (NPC) adopted at its twenty-fourth meeting the "Law of the PRC on Its Territorial Waters and Contiguous Zone." The PRC thus formally included the Pratas,

⁵⁴See Han Zhenhua, ed., *Woguo Nanhai zhudao shiliao huibian* (A collection of historical documents on the South China Sea islands of our country) (Beijing: Dongfang chubanshe, January 1988), 445.

the Paracels, the Macclesfield Bank, and the Spratlys within its jurisdiction by means of legislative procedures. On April 19, 1996, the PRC ratified the UNCLOS, and on May 14 of the same year, made public part of the baseline of its territorial waters along the coast of the Chinese mainland as well as its territorial water baseline in the Paracels.

3. *Reinforcing the authorities and functions of its South China Sea administrative units:* In 1950, Beijing placed the South China Sea islands under the jurisdiction of Guangdong Province's Hainan Administration. In March 1959, on Woody Island (永興島 Yongxing Island) of the Paracels the Hainan Administration established an Office for the Paracels, the Spratlys, and the Macclesfield Bank. In March 1966, the office was re-named Revolutionary Committee of the Paracels, the Spratlys, and the Macclesfield Bank of Guangdong Province and such structures as a people's arms department and the police station were set up on the Paracels. On October 22, 1981, Beijing again established an office for the Paracels, the Spratlys, and the Macclesfield Bank, making it a Guangdong Provincial People's Government agency under the direct leadership of the Hainan Administrative Office. On April 24, 1982, Beijing published standardized geographical names for 287 South China Sea islands. On May 31, 1984, the Sixth NPC of the PRC approved at its second session a State Council motion on establishing a government of the Hainan Administrative District. With the abolition of the Hainan Administrative Office, a Hainan Administrative District Government was established in Haikou City and the Paracels, the Spratlys, and the Macclesfield Bank were all placed under its jurisdiction.⁵⁵

In September 1987, the NPC Standing Committee approved a State Council motion on separating the Hainan Island from Guangdong Province. After the establishment of Hainan Province on April 13, 1988, the NPC formally placed the South China Sea islands under Hainan jurisdiction. The Hainan Provincial Post and Telecommunications Office was established on July 29 and a Spratly Islands Post Office was set up on August 1 of the same year.⁵⁶

⁵⁵ *Ming Pao* (Hong Kong), July 22, 1984, 5.

⁵⁶ *Renmin ribao*, July 30, 1988.

In mid-March 1994, Yan Hongmo (嚴宏謨), director of the PRC's State Oceanic Administration, asserted that Hainan Province would establish a oceanography office to reinforce government administration of the Paracels, the Spratlys, and the Macclesfield Bank as well as their peripheral waters. The Hainan provincial Oceanic Administration was reorganized into the Hainan provincial Department of Oceanography in July 1994. The newly established office was placed under the dual leadership of the central and local governments. The administration and development of the South China Sea islands was to mainly be guided by the local government but issues involving disputes with adjacent nations would be handled by the central government.⁵⁷

The PRC Ministry of Agriculture made the following announcement on March 23, 1999:

In order to protect and restore the fishery resources in the South China Sea area, the Ministry of Agriculture has decided that beginning from this year fishing operations in the South China Sea will be suspended during the hottest period of the year. Every year, from 12 a.m. on June 1 to midnight on July 31, all drag-netting (including dragnet for shrimp and shellfish), seining, and mixed lifting net operations are prohibited in the South China Sea waters north of the 12° north latitude (including the Beibu Gulf 北部灣). . . . During that period, except for fishing boats with permits for fishing special categories of aquatic animals in the South China Sea waters south of 12° north latitude, all fishing boats designed for dragnetting, seining, and mixed lifting net operations must stay in port and suspend their operations. All units concerned are prohibited from providing these boats with oil or ice, and from purchasing, transporting, marketing, freezing, or storing their catch.⁵⁸

The prohibition of fishing activities was enforced according to schedule.

Since 1995, the PRC has carried out impromptu on-board inspection of vessels (including merchant ships and fishing boats) in major South China Sea waterways to create the reality as well as the impression that it is exercising sovereign jurisdiction over the South China Sea waters. By enforcing a ban on fishing operations in the South China Sea on the pretext

⁵⁷*Lianhe bao*, March 19, 1994, 10; *Lianhe zaobao*, July 5, 1994, 14; "China's Sovereignty over the Spratlys Is Indisputable—An Interview with the PRC State Oceanic Administration Director Yan Hongmo," *Wen Wei Po*, April 17, 1995, A1.

⁵⁸*Guangming ribao* (Guangming Daily, Beijing), March 24, 1999, 1; *ibid.*, March 25, 1999, 3.

of protecting fishery resources, the PRC actually wants to expand its sovereign jurisdiction in the area.

4. *Agreeing to the holding of bilateral talks in accordance with the norms of international law:* So far, the PRC has held bilateral talks on the territorial issues regarding the Spratlys with Malaysia, Vietnam, and the Philippines. In 1992 and 1993, Beijing held several talks with Malaysia without reaching any agreement. Negotiations have also been held between Beijing and Hanoi over the past several years, but there has been no breakthrough over their respective territorial claims to the Paracel and Spratly islands. In November 1991, the two sides signed an interim agreement on handling their border affairs. They held two rounds of expert-level border talks in October 1992 and August 1993. They began vice-ministerial talks in August 1993 and concluded in October an agreement on the basic principles for resolving their border disputes. On November 22, 1994, when Qian Qichen (錢其琛) paid a visit to Vietnam, the two sides agreed to form a joint work team of maritime problem experts to discuss the issue of their maritime boundary. They then held rounds of border talks alternatively in Beijing and Hanoi. On December 30, 1999, the two sides finally concluded a land boundary treaty (signed by PRC Foreign Minister Tang Jiaxuan and his Vietnamese counterpart Nguyen Manh Cam).⁵⁹ The question of South China Sea territories, however, has so far remained unresolved.

The PRC and the Philippines held two rounds of bilateral talks in March and August 1995. No concrete results regarding their Spratly Islands dispute was achieved, however.

During the PRC's bilateral talks with the Philippines and Vietnam, the principle of resolving territorial disputes in accordance with the norms of international law was approved. At the end of a five-day visit to Vietnam (from November 30 to December 4, 1992), PRC Premier Li Peng (李鵬) and Vietnamese Premier Vo Van Kiet issued a joint communiqué, the fourth point of which said:

⁵⁹*Lianhe zaobao*, December 31, 1999, 20.

Both sides reasserted the agreements reached at the 1991 PRC-Vietnam summit stating that they would settle bilateral territorial and boundary disputes through peaceful negotiations. Both sides agreed that while continuing to hold expert-level negotiations, talks at the governmental level will begin as soon as possible to achieve unanimity on fundamental principles for resolving the territorial and boundary disputes in accordance with the generally recognized principles of international law and, on the basis of these principles, both sides will accelerate the process of negotiations to settle at an early date territorial and boundary disputes, including those on land and at sea. Pending a settlement, the two sides will not conduct activities which will further complicate the territorial and boundary disputes.⁶⁰

5. *Opposing the internationalization of the Spratly islands question and endorsing "joint development while putting aside territorial disputes"*: The PRC disclosed on September 16, 1988 its intention to support the joint development of the Spratlys. The PRC Ambassador to the Philippines Wang Yingfan (王英凡) declared that Beijing had decided to temporarily shelve the sovereignty question concerning the Spratlys in the hope that the question would be resolved by consultations at an appropriate time.⁶¹ On August 11, 1990, during an official visit to Singapore, Li Peng reiterated that the PRC was willing to join hands with relevant countries in order to develop the resources of the Spratlys.⁶²

At a press conference on July 16, 1992, PRC Foreign Ministry spokesman Wu Jianmin said that the Spratly archipelago had been China's territory since ancient times. He, however, emphasized Beijing's intention of resolving disputes with countries concerned through negotiations and also Beijing's position against the internationalization of the Spratly islands question.⁶³ On July 21 of the same year, on a visit to the Philippines, Li Peng stated at a press conference that:

The countries that have disputes with us over the Spratlys are all our friendly neighbors. We highly value friendly and cooperative relations with these countries. We are unwilling to see the existing divergence lead to conflicts which may affect the development of friendly relations with these nations as well as

⁶⁰*Zhonghua renmin gongheguo guowuyuan gongbao* (Gazette of the PRC State Council), no. 717 (February 5, 1993): 1439-41.

⁶¹Central News Agency (Taipei), September 18, 1988, 4.

⁶²*Lianhe zaobao*, August 13, 1990, 4.

⁶³*Renmin ribao*, July 17, 1992, 1.

the peace and stability of this region. We propose that disputes be shelved and that joint development of the region begin. We are willing to seek resolution of the question through negotiations with relevant countries when the conditions are ripe, but when the conditions are not yet ripe, the temporary shelving of the question will not affect our relations with these countries. We believe that with the joint efforts of all countries concerned, not only will the South China Sea area not become a new flashpoint of conflict, but countries along the coast may also develop extensive and mutually beneficial cooperation.⁶⁴

During an official visit to Thailand, PRC Vice-Minister of Foreign Affairs Tang Jiaxuan met on April 4, 1994 with senior officials of the Thai Foreign Ministry. Tang said that Beijing did not want the Spratly islands sovereignty question to be placed on the agenda of the ASEAN Regional Forum (ARF) scheduled for July of that year. Beijing, however, hoped that all countries attending the forum would concentrate efforts on how to build up mutual confidence.⁶⁵

Similarly, at the ARF senior officials meeting held in Bandar Seri Begawan, Brunei's capital, on May 23, 1995, the PRC insisted that the Spratly islands question not be included in the meeting's final report because doing so would put the question onto the ARF agenda, a move which Beijing opposed.⁶⁶ The statement by the chairman of the second ARF meeting held in July 1995, however, still included such ideas as "foreign ministers, concerned about the overlapping sovereignty claims in this area, urge all countries involved in disputes to reconfirm their recognition of the principles included in relevant international law and conventions as well as in the 1992 ASEAN South China Sea Declaration."⁶⁷ Since then, similar messages have been included in the statement made by every chairman of the ARF.

The PRC has insisted that the joint statement entitled "ASEAN-China Cooperation Towards the 21st Century" issued by the heads of ASEAN nations and PRC President Jiang Zemin (江泽民) in Kuala Lumpur on December 16, 1997, should be the code of conduct. Article 8 of that joint

⁶⁴Ibid., July 23, 1992, 6.

⁶⁵*Lianhe zaobao*, April 5, 1994, 24.

⁶⁶Ibid., May 24, 1995, 35.

⁶⁷Chairman's Statement, the Second ASEAN Regional Forum, August 1, 1995, clause 11.

statement, which is clearly related to the conduct of all parties in the South China Sea, states:

Recognizing that the maintenance of regional peace and stability served the interests of all parties, they undertook their differences or disputes through peaceful means, without resorting to the threat or use of force. The parties concerned agreed to resolve their disputes in the South China Sea through friendly consultations and negotiations in accordance with universally recognized international law, including the 1982 UN Convention on the Law of the Sea. While continuing efforts to find solutions, they agreed to explore ways for cooperation in the areas concerned. In the interest of promoting peace and stability as well as enhancing mutual confidence in the region, the parties concerned agreed to continue to exercise self-restraint and handle relevant differences in a cool and constructive manner. They further agreed not to allow existing differences to hamper the development of friendly relations and cooperation.⁶⁸

At the ARF Inter-Sessional Support Group on Confidence Building held in Hawaii in November 1998, the PRC representative introduced a five-point proposal, on which the United States and Thailand—the meeting's cochairs—later requested an elaboration. The PRC submitted on January 12, 1999 a document entitled "Elaboration on the Proposed New Confidence-Building Measures." The section relating to the South China Sea area stated that "ARF member states are banned from resorting to the threat or use of force against civilian vessels navigating in international waters or fishermen operating in traditional fishing areas; they are also banned from adopting any inhuman action in violation of international law." The PRC proposal that civilian vessels should enjoy the freedom of navigation in high seas was not in any way extraordinary because this principle is a recognized concept of international law. Its position on the safety of the fishermen operating in traditional fishing areas was noteworthy because PRC fishermen operating in the South China Sea had often been arrested by the Philippines and other neighboring countries. In this document, the PRC also implicitly included the South China Sea into its traditional fishing area.

In May 1999, the Philippines and Vietnam jointly drafted a "Code of

⁶⁸See "Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the President of the People's Republic of China" (Kuala Lumpur, December 16, 1997).

Conduct on the South China Sea," which was submitted on July 20 at an ASEAN senior officials meeting. After discussion, the meeting approved the submission of that draft to a working group led by Thailand, the host country of the next ASEAN Ministerial Meeting to be held at the end of the year, for further discussion and improvement. At that time, the chief difference was that Malaysia preferred the application of the code of conduct only to the Spratlys but Vietnam urged that the application include both the Paracels and the Spratlys. After rounds of consultations, both Malaysia and Vietnam made concessions. Finally, the ASEAN nations agreed that the code of conduct would be applied to all disputed areas in the South China Sea.⁶⁹

The main points of the regional code of conduct proposed by ASEAN on November 25, 1999 are as follows:

- (1) All nations concerned should further realize the directives and objectives of the Hanoi Action Plan in accordance with the spirit and principles of international law, the UN Charter, the UNCLOS, the Treaty of Amity and Cooperation in Southeast Asia, the five principles of peaceful coexistence, and the ASEAN South China Sea Declaration. Nations should also agree to observe the Code of Conduct on the South China Sea in accordance with the 1997 ASEAN-China Cooperation Towards the 21st Century.
- (2) All sovereignty and jurisdictional disputes that have taken place in the South China Sea should be resolved by peaceful means and not by resorting to the threat or use of force.
- (3) Signatory countries should practice self-restraint and terminate any activities detrimental to regional stability.
- (4) All countries involved in disputes should refrain from taking action to control any unoccupied islands and reefs in the South China Sea.
- (5) Within the disputed areas, countries should respect one another; their senior defense or military officials should frequently hold

⁶⁹*Lianhe zaobao*, October 10, 1999, 42.

dialogues and exchange opinions; and they should voluntarily inform one another of all major policies that have an impact on the South China Sea area.

- (6) Various countries should put aside their sovereignty claims and, in accordance with bilateral and multilateral agreements and by means of mutual aid, respect such matters as marine environmental protection, oceanographic survey and research, navigational and telecommunications safety, resources investigation and development, search and rescue action, and cracking down on transnational crimes.

In response to ASEAN's demand that Beijing sign the above code of conduct, the PRC prepared its own version, the main points of which are as follows:

- (1) The 1997 joint statement between the PRC and ASEAN should be the objectives and principles respected by both sides.
- (2) The UN Charter, the five principles of peaceful coexistence, and other universally recognized international law will be the basic criteria for handling relations with various countries.
- (3) The use of threats or the adoption of measures that may affect friendly relations among countries or regional stability should be avoided.
- (4) The Spratly Islands disputes must be resolved through direct bilateral and friendly consultations and negotiations by sovereign countries in accordance with international law, including the 1982 UNCLOS.
- (5) Countries should first shelve disputes, handle them in a calm and restrained manner through diplomatic channels, and refrain from taking any action that may complicate or aggravate the disputes.
- (6) According to the spirit of "shelving disputes and conducting joint development," the countries concerned should explore and develop cooperation in such realms as marine environmental protection, oceanographic research, navigational and marine transportation safety, the exploration and utilization of marine

resources, search and rescue missions, and cracking down on transnational crimes.

- (7) All countries should be encouraged to develop bilateral fishing cooperation, resolve their fishing disputes through consultation, refrain from using threats of force or resorting to coercive means—including seizing, detaining, and arresting—against fishing boats engaging in normal fishing operations or civilian vessels in the disputed areas in the South China Sea.
- (8) Senior defense or military officials of the countries concerned should maintain bilateral and multilateral dialogues. All countries should avoid using the Spratly archipelago and waters to hold military exercises directed against other countries. They should avoid carrying dangerous goods or performing short-range military reconnaissance in the area. Military patrols in the area should also be limited.
- (9) All countries concerned should ensure international navigational safety as well as the freedom of navigation of vessels and aircraft traversing on regular business in the South China Sea.

The differences between the proposals put forward by ASEAN and the PRC are as follows:

- (1) ASEAN emphasized resolving conflicts via multilateral channels while the PRC stressed settling disputes through bilateral talks.
- (2) ASEAN emphasized cooperation in the whole South China Sea area, Vietnam especially endorsed the application of the code of conduct to the Paracels, but the PRC wanted the application of the code to be limited only to the Spratlys.
- (3) ASEAN emphasized that cooperation should be promoted according to bilateral or multilateral agreements while the PRC stressed joint development.
- (4) ASEAN emphasized stopping any attempts to occupy more islands and reefs, a point which the PRC refrained from mentioning at all.
- (5) ASEAN did not raise any objection to military exercises, military

reconnaissance, and military patrols in the South China Sea area while the PRC clearly stated objection to such activities.

Judging by the fact that the PRC prepared its own version of a conduct code, Beijing agrees in principle to settling the Spratly Islands dispute by peaceful means. There are signs that under the pressure of regional opinion, the PRC has softened its position against the internationalization of the Spratly Islands issue.

Moreover, before promulgating the "Law of the PRC on Its Territorial Waters and Contiguous Zone," the PRC had called for "shelving sovereignty disputes and conducting joint development." However, since the new law refers to the Spratly Islands as PRC territories, Beijing stated that "while possessing sovereignty over the area, the PRC is willing to shelve disputes and conduct joint development."

6. *Continuing to occupy and consolidate military bases on the Paracel and Spratly islands and reefs:* At present, the PRC is in control of the entire Paracels and seven Spratly reefs—Zhubi, Gaven (南薰 Nanxun), Johnson, Dongmen (東門), Fiery Cross, Cuarteron, and Mischief reefs. On each reef Beijing has built structures for military use as well as radar installations to monitor the vessels and aircraft navigating in the area.

The facilities that Beijing has constructed on the major Paracel islands are as follows:

(1) Woody Island: Located on this biggest Paracel island, whose total area is 1.85 square kilometers, are a modern hotel (the Sansha Hotel), a museum, a hospital, and a power plant.⁷⁰ A 2,600-meter north-south airstrip, completed in June 1989, may accommodate the Su-27 jet fighters (with a flight range of 4,000 kilometers) which the PRC purchased from Russia. There are also sufficient facilities for the deployment of thirty to forty fighters, including four hangars, a fuel depot, and storage for air-to-air missiles.⁷¹

(2) Zhongjian Island (中建島): The island, located at the southern tip

⁷⁰*Lianhe bao*, October 30, 1993, 18.

⁷¹*Yomiuri Shimbun* (Tokyo), August 21, 1993, 4.

of the Paracels, is 1.2 square kilometers in area. Composed of coral and shell sand, it has an average sea level of less than two meters. It is flat, sandy, and windy, inhibiting the growth of plants. On the island the PRC has constructed a tall watchhouse, which, with its courtyard, is half as large as a football field. The island, originally known as Tulaitang Island (土菜塘島), was under Japanese occupation during the war. After the war, China's Nationalist government dispatched a vessel named *Zhongjian* to take over the island from the Japanese, and the island was thus renamed after the vessel. The island has a lighthouse but is in need of fresh water, which must be transported by boat from the Chinese mainland every two or three months. Soil has also been brought there by boat to grow vegetables. A wharf port was built on the island in 1982.⁷²

(3) The PRC has also built lighthouses on North (北 Bei) and Langhua (浪花) reefs.

The facilities that the PRC has constructed on the major Spratly islands are as follows:

(1) Fiery Cross Reef: Located at 9°30' to 40' north latitude and 112°53' to 113°4' east longitude, the reef is at the center of the Spratlys, about one thousand kilometers from Hainan Island. It is a rectangular northeast-southwest coral reef that is mostly submerged and is fourteen nautical miles long and four nautical miles wide. On the reef flat are three dry atolls, of which the one at the southwestern extremity is the largest. Remaining above water even at high tide, it is the only dry land on Fiery Cross Reef. The PRC first built a dike on the reef foundation and then created land by placing 8,080 square meters of soil within the dike. Already completed on the island is a two-storied observation post about 1,000 square meters in area, within which are radar, oceanographic observation, and meteorological workshops as well as a provisional command and telecommunications facilities belonging to the PRC navy. The hydrometeorological facilities of the observation post maintain all-weather surveillance and keep records of various kinds of hydrometeorological parameters in the Spratly waters, provide the United Nations and the Pacific Mean Sea Level

⁷²"The Paracels Have an Island That Looks Like a Silver Plate—A Report on the Visit to Zhongjian Island," *Lianhe zaobao*, August 29, 1990, 30.

Institute with the monthly average water level of the Spratly waters, and exchange low-latitude marine meteorological data with other countries. On the island are also coconut trees, banyan trees, hoop pines, flower beds, a sports field, a cement basketball field, an underground reservoir, a post office, and a provisional oil depot. There is also a 300-meter-long pier where vessels up to 4,000 tons may dock. The marine meteorological observation post sends marine meteorological reports of this area to Beijing and the UN Meteorological Organization four times a day.⁷³

(2) Zhubi Reef: On the reef is a three-storied reinforced concrete structure with a helicopter platform and wharf facilities.

(3) Mischief Reef: The reef is located at 9°52' north latitude and 115°30' east longitude, about 130 nautical miles from Palawan Island of the Philippines. The Feixin (費信) and Mahuan (馬歡) islands lying about 14 nautical miles to the east of the reef and Xiyue Island (西月島) positioned about 25 nautical miles to the reef's northwest are now under Philippine occupation, while Jinghong Island (景宏島), about 25 nautical miles to the west, is under Vietnamese occupation. Mischief Reef is a submerged atoll, the foundation of which is 8.2 kilometers long and 5.6 kilometers wide. At high tide, only several of its rocks remain about 0.6 meters above water. When the Mischief Reef disputes first broke out in 1995, the PRC had constructed on the reef five circular structures on a wooden base erected on the sea, a setup being too simple for military use. However, at the end of 1998, the PRC further built a square dike about 50-70 meters long and 30-40 meters wide, in the middle of which was constructed a three-storied reinforced concrete house. Depot ships may enter beneath the balcony at the center of the circular structures to facilitate the embarkation and disembarkation of personnel. Moreover, guns can be seen on the roofs of the circular structures.

7. Accelerating the exploitation of gas and marine resources in the Spratly area: In 1992, the PRC signed a contract with the Crestone Energy

⁷³*Renmin ribao*, August 3, 1988, 1; Sung Lijun, "Beijing's Important Plan to Recover the Spratlys—An Inside Story on the Construction of a Post on Fiery Cross (Yongshu) Reef," *Guangjiao jing* (Wide Angle, Hong Kong), September 19, 1988, 26-28; *Renmin ribao*, December 2, 1991, 3.

Corporation for joint exploration of oil and gas in the Vanguard North No. 21 Contracted Zone.⁷⁴ Every year about six hundred PRC fishing boats operate in the South China Sea and the average number of PRC fishing boats in that area is about four hundred.

8. *Giving low-key responses to Southeast Asian nations*: Basically, the PRC has adopted a low-profile posture toward the Spratly Islands dispute. For instance, in May 1999, a Philippine military vessel knocked over and sank a PRC fishing boat in waters near Scarborough Island. Faced with Beijing's demand that Philippine naval personnel be punished and the victims be compensated, the Philippine government resorted only to raising funds from overseas Chinese associations in the Philippines. Beijing did not react further, however. In comparison to Beijing's lodging of a serious protest against the United States after U.S. bombs struck the PRC embassy in Yugoslavia, Beijing's posture toward the Philippines was rather low-key. Shortly after the capsizing incident, PRC Agricultural Minister Chen Yaobang (陳耀邦) arrived in Manila for an official visit on July 13. He suggested that the two sides hold joint military exercises in order to crack down on piracy and narcotic trafficking in the South China Sea. During his visit, the two sides agreed to establish a joint committee for the development and preservation of fishery and marine resources so as to promote joint scientific research.⁷⁵ Judging by the above activity, the PRC desires to maintain friendly bilateral relations. Moreover, although the PRC protested against Malaysia's occupation of two small reefs, this reaction seemed to be controlled. Some media reports alleged that there might have been a secret agreement reached between the PRC and Malaysia.

Conclusion

Judging by the foregoing analysis, the PRC's strategy toward the Spratly area is "outwardly soft but inwardly hard." In order to maintain

⁷⁴For more information on the PRC's oil exploration activities in the South China Sea, see Chen, "Oil Politics in the South China Sea," 19-42.

⁷⁵*Lianhe zaobao*, July 15, 1999, 24.

diplomatic relations with the countries on the rim of the South China Sea, the PRC has kept a low profile and sought to reduce tension through negotiations. Beijing has, however, gradually reinforced construction and military projects on Spratly islands and reefs. Moreover, facing the multilateral internationalization strategy of ASEAN nations, the PRC insists on giving priority to bilateral talks while avoiding multilateral consultations and opposing the submission of the disputes to such venues as the United Nations, international conferences, or the International Court of Justice. Echoing the ASEAN position of resolving the disputes by peaceful means, Beijing seeks to carry on a protracted war of attrition at international conferences.

The PRC's domestic situation and the regional international environment are the two basic considerations behind the PRC's South China Sea policy. The PRC's occupation of South China Sea islands was carried out step by step over a long period of time. The occupation of the Paracels took place in 1974, that of Johnson Reef in 1988, and that of Mischief Reef in 1995. The PRC's deployment of troops in the South China Sea is related to its plan to build up a blue-water navy and also to its procurement of Russian Su-27 fighters and advanced military vessels. For the PRC to expand into the Spratlys without these advanced weapons would be rather dangerous. Moreover, as both Vietnam and Malaysia have recently purchased advanced fighters and military vessels, the PRC is not sure who would have the upper hand if a conflict were to occur. There have also been signs that ASEAN nations will join hands in order to deal more effectively with the PRC. Beijing, therefore, assumes a low-profile attitude. While reinforcing the defense of the South China Sea islands and reefs under its occupation, the PRC has often reiterated the desire to resolve the disputes by peaceful means and carried on diplomatic negotiations at all relevant ASEAN conferences.

The PRC's moves to occupy the Paracels and Johnson and Mischief reefs were actually based on careful evaluations of the international situation. In 1974, South Vietnam was isolated because the United States had withdrawn from Vietnamese affairs during the previous year while Hanoi and Beijing still maintained fraternal relations. In 1988, Vietnam was faced with boycott and containment by the United States, other Western countries, and ASEAN. Thus, the PRC's move against Vietnam would not

cause much pressure from adjacent countries. In 1995, U.S. troops had already withdrawn from the Philippine bases because of the 1992 termination of Manila-Washington military-base cooperation. Moreover, the United States had repeatedly emphasized that it would not intervene in the Spratly Islands dispute and that its mutual defense treaty with the Philippines did not cover the Spratly Islands. Furthermore, the United States had already acquired generous oil exploration rights in this area. With U.S. involvement in the Spratly Islands dispute being impossible, Beijing felt sure of success and thus went ahead and occupied Mischief Reef.

The PRC insists on resolving the Spratly Islands dispute through bilateral talks. However, as substantive negotiations for the Code of Conduct on the South China Sea will soon begin, will the PRC be able to avoid multilateral talks on resolving the disputes? Judging from the PRC's previous position change from opposing the establishment of an Asia-Pacific security mechanism to endorsing the ASEAN Regional Forum, the possibility of a change in the PRC's attitude toward the Spratly Islands question cannot be ruled out.