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527571

## DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION



VVVZCZCCSA416

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ACTION

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SUBJ: SENKAKU ISLANDS

1. IN ADDITION TO REFERENCE IN SEPT 10 NOON BRIEFING CARRIED IN TODAY'S WIRELESS FILES, FOLLOWING ANSWERS FROM PREPARED GUIDANCE WERE SUBSEQUENTLY MADE AVAILABLE TO JAPANESE REPORTERS FOR ATTRIBUTION TO DEPT, SPOKESMAN!

A. GUESTION: THERE HAVE BEEN NEWS REPORTS THAT THE REPUBLIC OF CHINA FLAG HAS BEEN RAISED OVER THE SENKAKU ISLANDS WHICH HAVE BEEN ADMINISTERED BY THE U S AS PART OF THE RYUKYU ISLANDS. WHAT IS THE U S POSITION REGARDING THE FUTURE DISPOSITION OF THE SENKAKU ISLANDS?

ANSWER: UNDER ARTICLE III OF THE PEACE TREATY WITH JAPAN. THE U S. HAS ADMINISTRATIVE RIGHTS OVER THE NAMESE SHOTO."

THIS TERM AS USED IN THAT TREATY, REFERS TO ALL ISLANDS SOUTH OF 29 DEGREES NORTH LATITUDE, UNDER JAPANESE ADMINISTRATITION AT THE END OF THE SECOND WORLD WAR. THAT WERE NOT OTHERWISE SPECIFICALLY REFEFFED TO IN THE TREATY. THE TERM, AS USED IN THE TREATY, WAS INTENDED TO INCLUDE THE SENKAKU ISLANDS.

UNDER THE TREATY: THE U'S GOVERNMENT ADMINISTERS THE SENKAKU ISLANDS AS A PART OF THE RYUKYU ISLANDS, BUT CONSIDERS THAT RESIDUAL SOVEREIGNITY OVER THE RYUKYUS REMAINS WITH

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JAPAN. AS A RESULT OF AN AGREEMENT REACHED BY PRESIDENT NIXON AND PRIME MINISTER SATO IN NOVEMBER 1969, IT IS ANTICIPATED THAT ADMINISTRATION OF THE RYUKYUS WILL REVERT TO JAPAN IN 1972.

B. QUESTION: WHAT WOULD THE U.S. POSITION BE IF A CONFLICT AROSE OVER SCYEREIGNTY OVER THE SENKAKU ISLANDS?

ANSWER! WITH RESPECT TO ANY CONFLICTING CLAIMS, WE CONSIDER THAT THIS WOULD BE A MATTER FOR RESOLUTION BY THE PARTIES CONCERNED.

2. FOLLOWING ADDITIONAL GUIDANCE WAS PREPARED BUT NOT USED SINCE QUESTION NOT ASKED!

QUESTION: WHAT IS THE U. & POSITIN REGARDING THE CONTINENTAL SHELF ADJACENT TO THE SENKAKU ISLANDS?

ANSWER: IN THE EVENT OF A DISPUTE OVER THE ADJACENT CONTINENTAL SHELF, THIS WOULD BE A MATTER FOR RESOLUTION BY THE PARTIES CONCERNED, ROGERS BT ANNOTES WGS 332



ACTION: STATE DEPT (ARMY ACSI)
DISTR: OSA, DCSOPS, DCSLOG, CINFO, TJAG
DA IN 527571

\*\*\*\*\*\*\*\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\*\*

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

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FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 4509
INFO RUEADWD/DA
RUHHHQA/CINCPAC
RUHHRGA/CINCUSARPAC
RUAOADA/HICOMRY
RUEHTP/AMEMBASSY TAIPEI 2012

CLASSIFIED BY
EXCLUDED FROM THE GENERAL
DECLASSIFICATION SCHEDULE

CONFIDENTIAL TOKYO 7213 DA FOR DDUSA/IA SUBJ: SENKAKU ISLANDS SUMMARY: DEPARTMENT SPOKESMAN RESPONSE IN SEPTEMBER 10 NOON BRIEFING WITH JAPANESE CORRESPONDENT WHO RAISED QUESTION RE USG POSITION ON SENKAKUS RECEIVED WARM WELCOME IN JAPAN, BUT JAPANESE CONCERN REGARDING SENKAKU ISSUE CONTINUES TO INCREASE AND NEWS COVERAGE IS INCREASINGLY FLAMBOYANT. END SUMMARY. 1. FONOFF (SATO, NORTH AMERICAN AFFAIRS) HAS INDICATED SATISFACTION WITH DEPARTMENT SPOKESMAN RESPONSE SEPTEMBER 10 TO SENKAKU QUESTION POSED BY JAPANESE NEWSMAN. INITIAL PRESS ACCOUNTS IN PM PAPERS SEPTEMBER 11 GAVE IMPORTANT COVERAGE TO REPORT OF DEPARTMENT OF STATE. 2. DN SEPTEMBER 10 FORMIN AICHI QUESTIONED INTENSIVELY IN DIET FOREIGN AFFAIRS COMMITTEE ON SENKAKU PROBLEM. ACCORDING TO FONOFF, AICHI RESPONDED THAT SENKAKU PROBLEM DOES NOT PRESENT TERRITORIAL ISSUE SINCE GOJ OF FIRM CONVICTION THAT SENKAKUS ARE PART OF RYUKYUS. AICHI REFERRED TO USCAR ORDINANCES WHICH CONFIRM GOJ POSITION. AICHI REPORTED THAT GOJ HAS MADE STRONG REPRESENTATION. TO GRC REGARDING MUCH PUBLICIZED INTRUSION ON SENKAKUS BY CHINESE WHO RAISED RC FLAG AND INSCRIBED ON ROCKS QUOTE BANZAI PRESIDENT CHIANG KAI-CHFK UNQUOTE AND DESCRIBED INTRUSION TO GRC AS QUOTE UNFRIENDLY ACTION UNQUOTE. AICHI ALSO REPORTED THAT GOJ HAD APPROACHED USG TO TAKE APPROPRIATE ACTION TO INSURE PROTECTION JAPANESE CLAIM

DA IN 044891

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

PRESS SEPTEMBER 11. 2. ON SEPTEMBER 10 AND 11 PRESS CARRIED UPI STORY DATELINED TAIPEI WHICH REPORTED THAT CONTROL YUAN BEGINNING TO BUILD GRC ARGUMENT TO EVIDENCE CHINESE CLAIM TO SENKAKUS. 3. SEPTEMBER 11 PRESS CARRIED STORY DATELINED NAHA PORTING THAT GRI HAD ISSUED STATEMENT CLAIMING QUATE ABSOLUTE OWNERSHIP OF SENKAKU ISLANDS UNQUOTE AND REPORTING THAT GRI WOULD BEGIN APPROVING APPLICATIONS FOR DIL PROSPECTING RIGHTS IN SENKAKUS AREA. 4. ON SEPTEMBER 11 SATO REPORTED TO EMBOFF THAT GOJ UNDER STRONG PRESSURE TO ASSURE JAPANESE PUBLIC THAT USG TAKING STRONG ACTION TO PRESERVE JAPANESE CLAIM. ACCORDINGLY, FONOFF SENDING INSTRUCTION TO JAPANESE EMBASSY WASHINGTON TO REQUEST USG TAKE STRONG ACTION KEEP CHINESE OFF SENKAKUS BY CONSTANT PATROLLING AND TO REMOVE CHINESE FLAG AND SLOGANS ASAP. SATO EXPLAINED THAT OTHERWISE JAPANESE PUBLIC WOULD NOT APPRECIATE THAT USG DOING EVERYTHING IT CAN TO PRESERVE JAPANESE RIGHTS TO SENKAKUS.
5. EMBOFF REPLIED THAT HE THOUGHT USG-GOJ PURPOSES RE SENKAKUS ARE IDENTICAL; NAMELY, TO PRESERVE JAPANESE CLAIM INTACT AND THAT THERE ISSCO QUESTION THAT USG WILL TAKE WHATEVER ACTION IS APPROPRIATE TO CARRY OUT THAT PURPOSE. HOWEVER, IT IS NOT READILY APPARENT THAT LODRAMTIC ACTIONS BY USG OR GRI INVOLVING JNSTANT PATROLLING OF SENKAKUS AND EXCITING ENCOUNTERS WITH CHINESE ADVENTURERS SPONSORED BY CHINESE NEWSPAPERS NECESSARILY WOULD BE APPROPRIATE ACTION. SATO RETORTED THAT ABSENCE SUCH ENERGETIC ACTIONS BY USG, CHINESE MIGHT BE ENCOURAGED BY APPARENT USG ACQUIENSENCE IN CHINESE SEIZURE OF CONTROL OVER SENKAKUS. SATO INDICATED THAT GOJ DOES NOT BELIEVE RECENT CHINESE INTRUSION HAS. ANY LEGAL EFFECT ON STATE OF POSSIBLY CONFLICTING CLAIMS TO SENKAKUS AND CONFIRMED THAT GOJ CONCERN LIES MOSTLY IN PUBLIC AFFAIRS AREA. MEYER BT NNNN

TO SENKAKUS. AICHI SESSION CARRIED PROMINENTLY JAPANESE

ACTION: OSA

DISTR: OCOFSA, DCSOPS, ACSI, CINFO

DA IN 044891

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RUADADA/HICOHRY

S. R. O. R. R. T. STATE: 152599.

BABT! REMKYKA. ISPYNDS:

REF! TAIPEI 4000:

1: DURING CALL ON ASSISTANT BEGRETARY GREEN ON ANOTHER MATTERS THISE THEVESADOR CHOS SHOCKAL ON INSTRUCTIONS, MADE REPRESENTATION OF GRC VIEWE ON BENKAMU ISSU PARALLELLING THAT REPORTED REFTEL, JONLY ADDITIONAL POINTS: MADE BY CHOW WERE TO POINT OUT QUOTE STRATEGIC UNQUOTE POSITION OF SENKAKUS, LYING CLOSER TO TAIWAN THAN TOTOTHER ISLANDS IN RYUKUY CHAIN, AND QUOTE INTENSE GRILLING UNQUOTE WHICH FORMIN WEI TAG-MING HAS BEEN GIVEN ON THIS MATTER BY LEGISLATIVE YUAN AND CHINESE PRESS. CHOW REFERRED TOHORD RESERVATIONS CONCERNING US JOKINAWAN REVERSION AGREEMENT AND SAID THAT ORC. HAD AVOIDED AIRING ITS VIEWS PUBLICLY OUT OF CONCERN FOR FRIENDLY RELATIONS WITH US. SENKAKUS. HOWEVER QUOTE LAST STRAW UNQUOTE. AND CHOW REMARKED THAT ROC PUBLIC QUOTE CANNOT TAKE UNQUOTE GOJ. ASSERTION OF SOVEREIGNTY, OHOW EXPRESSED HOPE THAT USG WILL GIVE SERIOUS CONSIDERATION TO ORC VIEWS AND HANDLE THIS ISSUE WITH UTMOST CARE. AT LATER POINT IN CONVERSATION, CHOM OFFERED PERSONAL CORRESPOND THAT HEHHOREDING OUTE TOTAL STATEMENTS ON THE SHATTER HOULD!

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NOT GIVE APPEARANCE OF SUPPORTING GOJ. CLAIM.

2. GREEN STATED USG POSITION ALONG LINES REFIND PARALL.
AND ASSURED CHOM THAT WE HAVE TAKEN NOTE OF GROUPONDERN.
BT.
ANNOTES

ACTION: STATE DEPT (ARMY DGSOPS)
DISTRO OSA, ACSI, CINFO, TJAG
DA IN 532127

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DISTR CUCS DUS(03) SUCS(03) US(02) NMCC(01) SECDEF(07) ASDIISA(09) ASDIPA(Ø1) CSA CSAF CNO CMC DIA(20) MCCC FILE(1) (047)

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CLASSIFIED BY FROM THE GENERALIE EAULUNEU FRUM INE WERENA DEGLASSIFICATION SCHEDULE

SUBJECT: TAIWANESE VIOLATION SENKAKU TERRITORIAL WATERS

REF! A. HCRI/LN 170532Z B. TAIPEI 4093

GRC MAY CLAIM THAT ALTHOUGH TAIWAN VESSELS HAVE LONG FISHED IN SENKAKU TERRITORIAL WATERS GRIZUS ONLY RECENTLY HAS BEGUN TO TAKE ACTION AGAINST THEM, REQUEST REPORT PREVIOUS INCIDENTS OF TAIHAN BASED SHIPS VIOLATIONS OF SENKAKU TERRITORIAL WATERS AS OPPOSED TO OTHER RYUKYU VIOLATIONS, EXEMPT

ARMSTRONG

BT

ANNOTES

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NOTE: REF A IS NOT IDENTIFIED

RER B IS DA IN 533907 (70) STATE DEPT (ARMY DCSLOG)

STATE DEPT (ARMY DCSLOG) ACTION:

OSA, DCSOPS, ACSI, TJAG

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TO RUEADWD/DA
INFO RUEIKO/AMEMB TOKYO
RUEHTP/AMEMB TAIPEI
RUHHHQA/CINCPAC
RUHHRGA/CINCUSARPAC
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HCRI-LN

DA FOR ODCSOPS IA RA. STATE FOR ERICSON.

SUBJ: GRI STATEMENT ON SENKAKU ISLANDS
ON 10 SEP GRI ISSUED FIRST OFFICIAL STATEMENT
ON SENDADU ISLANDS ENTITLED: "CLAIM CONCERNING TERRITORIAL
RIGHTS AND CONTINENTIAL SHELF DEVELOPMENT RIGHTS ON SENKAKU
ISLANDS." STATEMENT WAS ADOPTED AT GRI DEPT DIRECTORS'
MEETING THAT DAY. UNOFFICIAL TRANSLATION FOLLOWS:
BEGIN TEXT: SENKAKU ISLANDS.ARE SITUATED BETWEEN 25
DEGREES 40 MINUTES AND 26 DEGREES NORTH AND BETWEEN 123 DEGREES
20 MINUTES AND 123 DEGREES 45 MINUTES EAST. IT IS CLEAR
BEYOND ANY DOUBT THAT THESE ISLANDS BELONG TO THE RYUKYU ISLANDS
AND ARE INCLUDED IN THE AREA TO BE RETURNED TO JAPAN IN 1972
FOR THE FOLLOWING WELL -KNOWN REASONS:

A. THE ISLANDS WERE DISCOVERED BY TATSUSHIRD KOGA IN 1884 (NATIVE OF FUKUDKA PREFECTURE). FROM THEN UNTIL ABOUT 1917, KOGA GATHERED FEATHERS, TURTLE SHELL, SHELLFISH AND GUAND, AND ESTABLISHED A BONITO PROCESSING PLANT ON THE ISLAND. THE SURROUNDING WATERS HAVE BEEN USED AS FISHING GROUNDS BY OKINAWAN FISHERMEN.

B. ON BASIS OF JAPANESE CABINET DECISION ON 14 JAN 1895 AND IMPERIAL ORDER NO. 13 OF 1 APRIL 1896, THE ISLANDS WERE RECOGNIZED AS JAPANESE TERRITORY UNDER ISHIGAKI-SON, YAEYAMA-GUN, OKINAWA PREFECTURE.

C. FOLLOWING SEPARATION OF OKINAWA PREFECTURE FROM JAPAN UPON EFFECTUATION OF JAPANESE PEACE TREATY, THIS TREATY AND U.S.-JAPAN AGREEMENT ON AMAMI ISLANDS PROVIDED THE BASIS FOR USCAR PROCLAMATION NO. 27, "GEOGRAPHICAL BOUNDRIES OF THE

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RYUKYU ISLANDS." ARTICLE 1 OF THIS PROCLAMATION DEFINED AN AREA IN WHICH SENKAKU ISLANDS ARE SITUATED. THEREFORE, WITH REGARD TO THE CONTINENTAL SHELF LYING BETWEEN THE SENKAKU ISLANDS AND CHINA (CHUGOKU), WE ARE ABLE TO EXERCISE SOVEREIGNTY-LIKE RIGHTS OF EXPLORATION AND DEVELOPMENT OF COASTAL AND CONTINENTAL SHELF MINERAL RESOURCES, BASED UPON THE CONCEPTS OF THE CONVENTION AN CONTINENTAL SHELF WHICH HAS ALREADY BECOME CUSTOMARY INTERNATIONAL LAW. IN OTHER WORDS, ACCORDING TO THIS CUNVENTION, DELIMITATION OF THE CONTINENTAL SHELF SHALL BE DETERMINED BY AGREEMENT AMONG THESE NATIONS. WHERE THERE IS NO AGREEMENT, INSOFAR AS NO ER JUST DELIMITATION CAN BE MADE ON BASIS OF SPECIAL CIRCUMSTANCES, THE CONVENTION PROVIDES THAT THE DELIMITATION SHALL BE FIXED AT MIDWAY. IN THE FOREGOING MANNER, OUR CLAIM RESPECTS INTERNATION LAW, AND POINTS TO THE HUMAN IDEAL OF INTERNATIONAL COOPERATION. OUR CLAIM IS SUFFICIENTLY GROUNDED IN THESE RESPECTS. END OF TEXT BT #3894 NNNN

ACTION: DCSOPS

DISTR: OCOFSA, OSA, DCSLOG, ACSI, TJAG, CIA, OSD/JCS

DA IN 046537

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

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DISTR CJCS(01) DJS(03) SJCS(03) J3(12) J5(02) SACSA(03) NMCC(01) SECDEF (07) ASDIISA (09) ASDIPA (01) ASDISA (01) CSA CSAF CNO CHC DIA(20) MCCC FILE(1)

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ADV DISTR SECDEF (05) DIA(03) TRANS[1/210500Z/210557Z/000157TOR2640546 DE RUEAMAF 0247 2640547 ZNY CCCCC ZOV STATE TP1449 RR RUEHC RUEIKO RUADADA DE RUEHTP 4893 2640515 ZNY CCCCC ZZH R 210500Z SEP 70 FM AMEMBASSY TAIPEI TO RUEHC/SECSTATE WASHDC 944 INFO RUEIKO/AMEMBASSY TOKYO 1595 RUADADA/HICOMRY Bï CONFIDENTIAL.

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LIMITED OFFICIAL USE TAIPEL 4093

SUBJECT: FISHING VESSELS OFF SENKAKU ISLANDS ALBERT GAULIN

REF: TAIPEI 4083

TAIPEI NEWSPAPERS SEPTEMBER 21 REPORTED THAT CHINESE FISHING BOATS SAILING FROM EAST COAST TAIWAN TO OPERATE IN VICINITY OF TIAO YU TAI (SENKAKUS) WERE INTERFERED WITH AND CHASED BY PATROL BOATS OF THE RYUKYU GOVERNMENT. REPORTS SAY FISHERMAN'S ASSOCIATION OF SUAD DISTRICT HAVE APPEALED TO THE GRC TO TAKE STRONG MEASURES TO PROTECT THEM, EXEMPT ARMSTRONG BT ANNUTES HAT 332

ACTION: STATE DEPT (ARMY DCSLOG) DISTR: OSA, DCSOPS, ACSI, TJAG

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IN REPLY KEFER TO

HCRI-LE

23 September 1970

MEMORANDUM FOR RECORD

SUBJECT: Briefing at USCAR by GRI Staff Involved with

Mining Rights in Senkaku

1. An informal briefing was held at USCAR LE Director's office on morning of 18 Sep 70. Present were:

Mr. Akira Kina, Chief, Commerce & Industry Division, Trade and Industry Dept, GRI

Mr. Shoichi Nakamura, Chief, Mining Sub-section, Trade & Industry Dept, GRI

LTC McNealy, Director, LE, USCAR Mr Baker, EC, USCAR Mr John Sheehan, LE, USCAR Mr M. Harushima, LE, USCAR

At the beginning of the conference, LTC McNealy explained the purpose of the briefing was to provide USCAR staff with an informal update on the GRI processing of mining applications for the Senkaku area. The GRI officials replied that three applicants had filed for exploration and/or exploitation mining rights in the general area of Senkakus. Because of the parti-cular requirements of the local Mining Law, a total of 24,841 separate applications are involved. This mass of submissions has thoroughly taxed the limited manpower resources of the GRI Mining Department. Despite use of extra and part-time employees, there is still a considerable lag in the completion of even the initial screening of the many applications. The GRI representatives further explained that the Mining Law provides that applications are entertained on a first-come-first-served basis and that when mining rights are subsequently recommended, they will follow the priority of their original filing. This is, of course, subject to the application being from an appropriate person or entity and otherwise being in accordance with local law.



HCRI-LE 23 September 1970 SUBJECT: Briefing at USCAR by GRI Staff Involved with Mining Rights in Senkaku

3. LTC McNealy stated that the briefing had been extremely useful particularly insofar as it gave USCAR a much better idea about the status of the actual processing. Mr Nakamura specifically indicated that he did not feel that GRI would be in a position to make any recommendations until the middle of 1971, although they are making every effort to shorten the time. It was pointed out categorically at this point by LTC McNealy that the offshore seabed areas were under the administration of the Ryukyuan Property Custodian, whose interest therein had been well established with the GRI. this context, Mr. Nakamura was reminded that GRI Mining Law required approval of the Civil Administrator for any prospecting or any exploration within the areas under the control or administration of the U.S. and this would apply to offshore Senkaku areas. Both USCAR and GRI officials then agreed that it would be useful to maintain close coordination on the Senkaku mining situation with a view to facilitating these necessary clearances at the appropriate time.

4. In closing, Mr. Kina stated that GRI was clearly interested in preserving the GRI administration over the Sankaku Islands and requested USCAR assistance in protecting these GRI interests. LTC McNealy answered that he was aware of GRI concerns.

RICHARD K. MCNEALY

LTC, JAGC

Director, Legal Affairs Dept



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DA FOR ODCSOPS IN RA. STATE FOR ERICSON. SUBJ: SENKAKUS: TAIWANESE VIOLATIONS (U)

A. TAIPEI 4105 (NOTAL)

B. HCRI-LN 160030Z JUL 70 (NOTAL)

1. (C) REF A REQUESTS RECORD OF GRI POLICE PATROLS
IN SENKAKUS TO COUNTER GRC CLAIM THAT ACTION ONLY
RECENTLY TAKEN AGAINST TAIWANESE FISHERMEN. FOLLOWING
IS LIST OF PATROLS TO SENKAKU ISLANDS SINCE MID-1968:

9 THRU 30 AUGUST 1968

11 THRU 16 JUNE 1969

13 THRU 19 SEPTEMBER 1969

10 THRU 15 JULY 1970 (GRI CHARTERED BOAT)

15 SEPTEMBER 1970

17 SEPTEMBER 1970

EXCEPT AS NOTED, ALL PATROLS MADE BY GRI POLICE BOAT "CHITOSE."
ON EVERY PATROL TAIWANESE FISHERMEN WERE WARNED TO LEAVE AREA.
2. (C) REF B. REPORTS ERECTION DURING JULY 70 CHARTER BOAT
PATROL OF CONCRETE SIGNS IN CHINESE, JAPANESE AND ENGLISH ON
SEVEN OF SENKAKU ISLANDS WARNING TRESPASSERS THAT THE SENKAKUS,
INCLUDING THEIR TERRITORIAL WATERS, ARE RYUKYUAN TERRITORY
AND TRESPASSERS WILL BE SUBJECT TO CRIMINAL PROSECUTION.
EMBASSY MAY WISH TO BRING THESE SIGNS TO ATTENTION OF GRC.
3. (C) NEW, LARGER GRI POLICE PATROL BOAT, "OKINAWA," EXPECTED
ARRIVE OKINAWA MID-OCTOBER. WITH INCREASED CAPABILITIES
PROVIDED BY THIS ADDITIONAL VESSEL, GRI INTENDS INSTITUTE
MORE REGULAR PATROLS OF SENKAKU AREA. GP-4

ACTION: DCSOPS

DISTR: OSA, ACSI, TJAG, OSD/JCS, CIA

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## DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION



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RR RUEHC RUEIKO RUHHHQA RUAQADA
DE RUEHTP 4208 2690545
ZNY SSSS ZZH
R 260525Z SEP 70
FM AMEMBASSY TAIPEI
TO RUEHC/SECSTATE WASHDC 990
INFO RUEIKO/AMEMBASSY TOKYO 1599
RUHHHQA/CINCPAC

SUBJECT: SENKAKUS.

S E C R E T TAIPE! 4208

RUADADA/HICOMRY

BT

LF: TAIPER 4105

CINCPAC FOR POLAD

1. FREDRICK CHIEN, DIRECTOR OF NORTH AMERICAN AFFAIRS, MOFA, CALLED IN POLCOUNS SEPT, 23 AND DELIVERED "ORAL STATEMENT" ON INSTRUCTIONS FROM ACTING FORMIN GIVING GRC "BASIC POSITION" ON SENKAKUS (WHICH HE REFERRED TO BY CHINESE NAME, TIAO YU T'AI, THROUGHOUT). SUMMARY OF STATEMENT FOLLOWS:

2. 3 KAKUS HAVE BEEN VISITED FOR MANY, MANY YEARS BY CHINESE FROM TAIWAN! FISHERMEN, THOSE SEEKING BIRD EGGS AND AS A REFUGE IN STORMS. THERE HAS BEEN A LONG TRADISTION, AND THESE VISITS HAVE BEEN CONDUCTED WITH NO INTERVENTION. THE GRC THEREFORE, DOES NOT ACCEPT OR CONSENT TO RECENT ACTION BY THE GOVERNMENT OF THE

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## DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

SEGMET

### SECRET

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RYUKYU ISLANDS IN INTERFERING, WITH CONCURRENCE OF USG, WITH NORMAL VISITS OF CHINESE FISHING VESSELS TO SENKAKUS,

3. AFTER CONVERSATION BETWEEN AMBASSADOR CHOW SHU-KAI 'D ASSISTANT SECRETARY GREEN ON SEPT. 17, MR. SHOESMITH REMARKED TO AMBASSADOR CHOW THAT THE SENKAKU ISSUE IS "DIFFICULT TO HANDLE," HE APPARENTLY FINDS IT CURIOUS THAT GRI PERMIST ITS VESSELS TO INTERFERE WITH NORMAL: VISITS OF CHINESE VESSELS TO SENKAKUS, IN RECENT WEEKS THERE HAVE BEEN MANY COMPLAINTS FROM FISHERMEN AND OTHERS. NOT ONLY ABOUT THE EVENTS OF SEPT. 16 AND 17, WHICH HAVE ALREADY BEEN DISCUSSED WITH U.S., BUT IN PARTICULAR A CHINESE FISHING VESSEL FROM KEELUNG, THE DAH FENG (6671/7364), WHICH WAS FISHING IN WATERS SURROUNDING SENKAKUS WAS BOARDED ON SEPT, 15 BY A JAPANESE SHIP, THE CHILEN SUI-WAN (0578/2979/0029), WHICH HAULED DOWN THE CHINESE FLAG FROM THE MAST AND TOOK IT AWAY, THE FLAG WAS RETURNED ON SEPT. 16, (POLCOUNS ASKED IF IT WERE FISHING IN SENKAKU TERRITORIAL WATERS, CHILEN REPEATED "IN VICINITY OF SENKAKUS,")

4. THE GRC CANNOT REMAIN SILENT ON THIS SUBJECT, SINCE
THE GRI ACTIONS IN THE SENKAKUS, PRESUMABLY WITH THE
CONCURRENCE OF THE U.S., HAVE AROUSED CONSIDERABLE CONCERN
ALL SECTORS IN TAIWAN, ALL PARTIES INVOLVED SHOULD
BE EXTREMELY CAUTIOUS NOT TO TAKE ANY MOVE THAT COULD
BE CONSIDERED PROVOCATIVE, AN EXAMPLE OF THE LATTER WAS:
THE ACTION OF THE GRI AUTHORITIES, WITH THE CONCURRENCE
OF THE U.S., IN REMOVING A CHINESE FLAG
HOISTED BY A CHINESE NATIONAL ON ONE OF THE SENKAKUS,
AND PAINTING OUT THE CHARACTERS "LONG LIVE PRESIDENT
CHIANG" WITH BLACK PAINT (CHIEN REPEATED "WITH BLACK
PAINT" TWICE). BOTH THESE ACTIONS ARE TO BE CONSIDERED
PROVOCATIVE, AND HAVE HAD IRRITATING IMPACT ON THE REPUBLIC
OF CHINA, CHIEN SAID THAT HE HOPED THAT THE POLCOUNS
WOULD CONVEY THIS MESSAGE TO USG AND THAT IT WILL EXERCISE,
AND INSTRUCT THE GRI TO EXERCISE, RESTRAINT OVER THE SENKAKU
ISSUE, END OF SUMMARY.

5, POLCOUNS SAID THAT HE HAD NOT HEARD OF AN INCIDENT IN SENKAKU WATERS OF SEPT. 15, AND WOULD REPORT IT. HE POINTED OUT THAT FAR FROM THERE HAVING BEEN NO "INTERVENTION," OUR FILES: WHICH WERE ADMITTEDLY INCOMPLETE, SHOWED THAT THERE HAD BEEN A NUMBER OF CASES BETWEEN 1965 AND 1970

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IN WHICH THE AUTHORITIES IN THE RYUKYU ISLANDS HAD "INTERVENED" TO PREVENT VIOLATION OF THE TERRITORY AND TERRITORIAL WATERS OF THE SENKAKUS OF FISHERMEN AND OTHERS, CHIEN SAID THAT THE GRC IN THESE INSTANCES HAD MERELY "TAKEN NOTE" OF U.S. ACTION. WHICH DID NOT DENOTE ACQUIESCENCE. THE ISSUE, HE CONTINUED, WAS THAT OF RICE BOWL OF CHINESE NATIONALS. AND THE GRC CANNOT REMAIN NOIFFERENT.

THAT MR, SHOESMITH HAD REFERRED TO WAS THAT THE U.S.,
WHICH IS NEUTRAL IN THE DISPUTE BETWEEN CHINA AND JAPAN
OVER THE SENKAKUS, FINDS ITSELF DRAWN INTO THE DISPUTE
BY BOTH PARTIES, THE PRESS IN BOTH TOKYO AND TAIPE!
HAS NOT HELPED - JAPANESE REFERENCE TO 100 CHINESE SHIPS
ENTERING THE SENKAKUS, AND A TAIPE! REFERENCE TO TWO
JAPANESE SELF - DEFENSE WARSHIPS IN THE SENKAKUS - ARE BOTH
EXAGGERATED, AND DO NOT SERVE TO RELAX TENSION. WE STILL
HOPE THAT CHINESE FISHING VESSELS WILL AVOID FISHING IN
RYUKYUAN WATERS AND THUS REDUCE OPPORTUNITIES FOR INCIDENTS.

7; CHIEN CONCLUDED BY SAYING THAT AT A FURTHER DATE:
HE INTENDED TO TAKE EXCEPTION TO THE CURRENT U.S. ADMINISTRATION OF THE SENKAKUS, BUT HE WAS NOT PREPARED: AT PRESENT
TO DO SO.

COMMENT: CHILEN MAY BE PREPARING TO TAKE A MORE
AGGRESSIVE LINE ON THE SENKAKUS, IF HE DOES, HE WILL!
PROBABLY FOLLOW THE LINE THAT THE GRC HAS NEVER RECOGNIZED
U.S. ADMINISTRATION OF THE ISLANDS EVEN TACITLY.
WRILE THIS IS PATENTLY NOT THE CASE, THE
INFORMATION REQUESTED FROM HICOMRY (REF. A) ON PREVIOUS INCIDENTS:
OF VIOLATIONS OF WATERS OF THE SENKAKUS AND OTHER RYUKYU
ISLANDS BY GRC VESSELS WOULD BE USEFUL IN COUNTERING SUCH
ARGUMENTS:

9. IF CHILEN SHOULD GO SO FAR AS TO TAKE EXCEPTION TO U.S. ADMINISTRATION OF THE SENKAKUS, WE BELIEVE THAT WARDOVIATING RECORD OF THE MUTUAL DEFENSE TREATY OF 1954 MAY CONNTAIN CHINESE ACCEPTANCE OF U.S. ADMINISTRATION IN MORE SPECIFIC TERMS THAN CONTAINED IN THE ARTICLE 6 OF TREATY, WOULD APPRECIATE DEPT'S CHECKING RECORD AND INFORMING US.

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10. CHINESE PRESS HAS COOLED DOWN SOMEWHAT ON THIS ISSUE, BUT ENGLISH LANGUAGE CHINA NEWS EDITORIAL OF SEPT 23. (POUCHED) SAYS THAT THE JAPANESE (SIC) ACTION IN DRIVING CHINESE FISHERMEN AWAY FROM THESE "VOLCANIC FLY SPECKS" THE FIRST AGGRESSIVE MOVE OF THE NEW MILITARIST JAPAN, WE NOTE, HOWEVER, THAT A PLANNED VISIT TO THE RYUKYUS BY THREE NATIONAL ASSEMBLYMEN HAS BEEN POSTPONED.

11. FOOTNOTE: REGIONAL MAP PROGUREMENT OFFICER INFORMS.
US THAT LARGE AND HANDSOME GEOLOGICAL MAP OF CHINA PREPARED
BY GRC FOR INTERNATIONAL TOPOGRAPHICAL MEETING IS BEING
CLASSIFIED BECAUSE SENKAKUS WERE OMITTED, GP#3
ARMSTRONG
BT

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ACTION: STATE DEPT (ARMY ACSI)

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ADV DISTR SECDEF (05) DIA(03) TRANSIT/ Z/210204Z/ :1 TOR274020: DE RUEAMAF 0229 2740202. ZNY SSSSS ZOV STATE PP RUEHTP RUEIKO RUMJOH RUHHHOA RUADADA DE RUEHC 161340 2740035 ZNY SSSSS ZZH P R 302337Z SEP 75. FM SECSTATE WASHDC TO RUEHTP/AMEMBASSY TAIPEI PRIORITY 51 INFO RUEIKO/AMEMBASSY TOKYO 0569 RUMJDH/AMCONSUL HONG KONG 3968 RUHHHOA/CINCPAC. RUADADA/HICOMRY

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LIMDIG.

CINCPAC FOR POLAD.

SUBJECT: SENKAKU ISLANDS:

S E C R E TISTATE 161340

REF: (A) TOKYO 7767; (B) STATE 150567; (C) TAIPE: 4105:

1. WE SHARE EMBASSY TOKYO'S CONCERN FOR APPARENT ESCALATION OF SENKAKU ISSUE ON BOTH SIDES AND AGREE IT IMPORTANT TO PREVENT IF POSSIBLE GOJ-GRC CONFRONTATION, PARTICULARLY SINGE WE LIKELY BE CAUGHT IN MIDDLE. WE ALSO AGREE THAT WE CANNOT PERMIT BY OUR ACTIONS OR INACTIONS ANY DOUBT AS TO GITHER OUR INTENTION TO: CONTINUE TO EXERCISE FULL ADMINISTRATIVE AUTHORITY OVER SENKAKUS AS PART OF RYUKYUS OR TO RETURNE ADMINISTRATIVE AUTHORITY OVER NAMSE! SHOTO INCLUDING SENKAKUS TO JAPAN AS AGREED IN NIXON-SATO COMMUNE

QUE OF NOVEMBER 21, 1969, WE ARE, THEREFORE, INCLINED AGREE

WITH EMBASSY TOKYO'S RECOMMENDATIONS FOR REPRESENTATIONS TO BOTH . \*\*\*\*

SIDES ALONG LINES REFTEL PARAS 4-8, GIVING PARTICULAR EMPHASIS: OPAMPT

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O IMPORTANCE WE ATTACH TO AVOIDANCE ACRIMONIOUS DISPUTE BETWEEN UR TWO CLOSE ALLIES.

WE WOULD APPRECIATE, HOWEVER, HAVING EMBASSY TAIPEI'S ASSESSMENT TUATION, PARTICULARLY ITS READING OF GRC ATTITUDE AND NTENTIONS. WE SUSPECT GRC POSTURE MAY BE AT LEAST IN PART FOR: \* OMESTIC CONSUMPTION AND THAT IT DOES NOT INTEND TO CONDONE CTIONS BY CHINESE FISHERMEN OR OTHERS WHICH WOULD POSE OVERT HALLENGE TO US ADMINISTRATIVE AUTHORITY. WE HOPE THAT GRC-DES NOT INTEND TO RENEW ITS RESERVATIONS AS TO USG UNILATERAL! FIGHT TO RETURN RYUKYUS TO JAPAN AND USG POSITION ON RESIDUAL! SOVEREIGNTY OR, AS INDICATED REF C PARA 7, TO CHALLENGE OUR ADMINISTRATION OF SENKAKUS, SINCE THIS WOULD BE MOST UNPROFITABLE EXERCISE.) WOULD ALSO APPRECIATE EMBASSY TAIPEL'S COMMENTS ON EMBASSY TOKYO'S RECOMMENDATIONS AND SUGGESTIONS AS TO SUBSTANCE AND MANNER OF SUCH EFFORT AS WE MIGHT MAKE TO ENCOURAGE RESTRAIN? AND ACCOMMODATION ON BOTH SIDES, GP-3, IRWIN BT ANNOTES

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NOTE: A IS DA IN 540292 (70) STATE DEPT (ARMY ACSI)
B IS DA IN 529973 (70) STATE DEPT (ARMY ACSI)
C IS DA IN 533951 (70) STATE DEPT (ARMY ACSI)
ACTION: STATE DEPT (ARMY DCSOPS)
DISTR: OSA, DCSLOG, , ACSI, CINFO, CRD, TJAG

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ADV DISTR SECDEF(05) DIA(03) YRANSIT/0208302/0211102/00214070R2751018 E RUEAMAF 0289 2751018 ZNY SSSSS ZDV STATE MJB270JDA554 RR RUENC RUENTP DE RUMJOH 3995 2750845 ZNY SSSSS ZZH R 0208307 OCT 70 PM AMCONSUL HONG KONG EXCLUDED FROM THE GENERAL TO RUEHC/SECSTATE WASHDC 9336 DECLASSIFICATION SCHEDULE INFO RUEHTP/AMEMBASSY TAIPEI 3218 CLASSIFIED BY RUEIKO/AMENBASSY TOKYO 3004 RUHHHQA/CINCPAC BT

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CINCPAC FOR POLAD

SENKAKU ISLANDS JBJECT 1

S E C R E T HONG KONG 3995.

REF1: TOKYO 7767; HK A=272; OCT 1, 1970,

WE AGREE WITH REFTEL THAT PEKING MAY FIND SOME SATISFACTION IN THE DISPUTE BETWEEN THE GOJ AND GRO OVER THE SENKAKU ISLANDS AND PARTICULARLY OVER THE LIKELIHOOD THAT THE USG WILL FIND ITSELF CAUGHT IN A DIFFICULT POSITION BETWEEN ITS TWO ALLIES, E PRO MAY BE IN SOMETHING OF A NONETHELESS DILEMMA OVER HOW BEST TO REACT PUBLICLY TO THIS SITUATION AND PRO MEDIA HAVE THUS FAR REPRAINED FROM MENTIONING THE CONTROVERSY. SINCE THE GROIS CLAIMS REGARDING THE CONTINENTAL SHELF APPEAR TO BE LEGITIMATE GOVERNMENT OF CHINAL THIS CONTROVERSY

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MUSTITOUCH SENSITIVE NERVES IN PEKING, ALTHOUGH THE PROCHAS NOT, TO OUR KNOWLEDGE, TAKEN A POSISITION ON THE CONTINENTAL SHELF CONVENTION OF 1958, WE PRESUME IT SHARES TAIPELIS INTEREST IN FENDING OFF ANY JARANESE ENGROACHMENTS ON CHINESE CLAIMS TO THE SHELF, FURTHERMORE, AUTHORESS HAN SUSYIN AFTER HER RECENT TRIP TO THE MAINLAND, ASSERTED THAT PEKING BELIEVES THAT THE SENKAKUS ARE PART OF CHINA (FOH#12136), AT THE SAME TIME, HOWEVER, PE NG OBVIOUSLY CANNOT ACCEPT TAIPEI'S RIGHT TO ASSERT THOSE CLAIMS,

THUS FAR PEKING HAS CHOSEN TO MEET THIS PROP BLEM BY REMAINING SILENT; BUT IT MAY DECIDE BEFORE LONG TO ISSUE PROPAGANDA BLASTS WARNING BOTH THE GRC AND THE JAPANESE AWAY FROM THE AREA. IF SO. PEKING WOULD PROBABLY CHARACTERIZE JAPANESE EFFORTS: AS FURTHER PROOF OF THE GOUSS "WILD AMBITION TO ANNEX TAIWAN" AND ACCUSE THE U'S OF FOSTERING JARANESE AGGRESSION. PEKING WOULD PROBABLY ALSO ASSERT THAT TAIPEL HAS NO RIGHT TO THE RESOURCES. SPECIFIC QUESTION OF SOVEREIGNTY OVER THE SENKAKUS. AS DID A HONG KONG PROSCOMMUNIST PAPER IN DISCUSSING MUNIST HARASSING ACTIVITIES AGAINST OIL COMPANIES OPERATING OFF THE CONTINENTAL SHELF CANNOT BE REULED OUT. WE BELIEVE THAT PEKING WILL MOST LIKELY AVOID AN ACTION WHICH COULD LEAD TO A DIRECT CONFRONTAGE TION WITH THE GREE GOUS OR USG. GP-1 OSBORN BT

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RUMJDH/AMCONSUL HONG KONG 1410

SUBJECT: SENKAKUS

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REFI A D' TOKYO 7767 TAIPEL 4308 B . E. STATE 163140 STATE 150567 TAIPEL 4000 TAIPEL 4105

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I. SUMMARY, RECENT ACTIONS BY GRO LEAD US TO BELIEVE THAT IT HAS NOT ONLY COOLED OFF SOMEWHAT ON SENKAKUS; BUT HAS TAKEN ACTIONS TO RESTRAIN ITS MORE ENTHUSIASTIC NATIONALS, WHILE PRESS AND LEGISLATIVE BODIES LIKELY TO REMAIN SENSATIONAL ON THIS SUBJECT, BELIEVE THAT VIOLATIONS OF SENKAKUS? TERRITORIAL WATERS FROM TAIWAN IN NEAR FUTURE: NOW MUCH LESS LIKELY" WE AGREE WE SHOULD CAUTION GRC AGAINST PROVOCATIVE INTRUSIONS SENKSKU WATERS, BUT BELIEVE OUR MAIN EFFORT SHOULD BE DIRECTED AT GETTING GOJ AND GRC TO START TALING ABOUT ALL ASPECTS OF PROBLEM.

2. PROBLEM OF SENKAKUS IS DIVIDED INTO THREE SEPARATE PROBLEMS; WHICH HAVE BECOME ENTANGLED; VIOLATIONS OF TERRITORY AND WATERS OF SENKAKUS; AND MORE BASIC PROBLEMS

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OF SOVEREIGNTY OVER THE SENKAKUS, AND RIGHTS TO THE

SHORTSTERM PROBLEM OF VIOLATIONS IS ONE WHICH APPARENTLY BEGAN IN 1968 WHEN GRI BEGAN ACTIVE MATROLLING OF SENKAKUS; IF GRC, TAIWANESE FISHERMEN, AND JAPNAESE DCM IN TAIPET REF. C AND D) ARE TO BE BELIEVED, TAIWANESE FISHERMEN HAVE SHED THESE WATERS FOR MANY YEARS WITHOUT INTERFERENCE, OUR OWN RECORDS, AND THOSE SO FAR PROVIDED BY TOKYO AND HICOMRY, SHOW NO INCIDENTS BEFORE THE SUMMER OF 1968, WHICH IS MORE LIKELY DUE TO LACK OF PATROLLING THAN LACK OF VIOLATIONS.

4. SINCE SEPTEMBER INTRUSIONS, GRC HAS TAKEN TWO LINES! FIRST, A FAIRLY HARD LINE WITH USG IN DIPLOMATIC CONVERSA-TIONS, WITH PRESS TAKINGG A TOUGHER LINE WITH JAPAN, SECOND, UNPUBLICIZED EFFORT TO PUT A STOP TO FURTHER INCIDENTS OVER THE SENKAKUS, IT HAS TAKEN FOLLOWING SETPS:

A. DURING WEEK SEPT. 23. MOFA DIRECTOR OF NORTH AMERICAN AFFAIRS: FREDRICK CHIEN. INFORMED POLCOUNS THAT PASSOFFICE HAD SENT REPRESENTATIVE TO TAIWANESE FISHER NIS GROUP. WHICH HAD SUBSEQUENTLY COMPLAINED THAT MOFA WAS INTERFEREING WITH THE FISHERMEN'S LIVELIHOOD. THIS VISIT CONFIRMED BY AP STRINGER, WHO SUBSEQUENTLY VISITED GROUP. CHIEN LEFT SUBSTANCE OF CONVERSTATION TO BE INGOROUP. CHIEN LEFT SUBSTANCE OF CONVERSTATION TO BE INGOROUP. AS HE DID WHEN POLOUNS NOTED PACT THAT PROPOSED VISIT OF THREE NATIONAL ASSEMBLYMEN TO THE SENKAKUS HAD BEEN CALLED OFF DUE TO "TROUBLE WITH HIGH-PRESSURE SYSTEM."

B. CHINA YOUTH CORPS STUDENTS AT TAIWAN UNIVERSITY
APPARENTLY PLANNED FOR OCTOBER 2 A DEMONSTRATION OVER
SENKAKUS IN FRONT OF JAPANESE EMBASSY, WHEN TIME FOR
DEMONSTRATION ARRIVED, REPORTERS FOUND ONLY PRESS AND
UNUSUAL NUMBER OF POLICE AT JARANESE EMBASSY, MEMBER KMT
STANDING COMMITTEE KUO CHI INFORMED US THAT KMT HAD "DISE
COURAGED" ORGANIZERS;

C. MOPA HAS CONFIRMED TO US THAT RAISING OF CHINESE FLAG ON SENKAKUS SEPT. 5 WAS UNAUTHORIZED BY GRC! AP STRINGER TELLS US THAT OHHNA TIMES WAS GIVEN SEVERE DRESSING DOWN BY MOPA FOR ITS FLAG-PLANTING FEAT.

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D. IN INTERPELLATION SEPT. 30 BEFORE LEGISLATIVE YUAN COMMITTEE, VICE MINISTER FOREIGN AFFAIRS TSA! WEIRPING. STATED THAT SINCE SENKAKUS UNDERR U.S. "TRUST," GRC SHOULD PROPERLY DISCUSS MATTER WITH U.S. AND NOT WITH JAPAN. HE CONTINUED. HOWEVER, THAT SINCE JAPAN IS FRIENDLY TO ROC. GRC WILL NOT REFUSE TO HOLD "INFORMAL TALKS" WITH GOJ ON THIS ISSUE!

5. THIS RECORD, THE FACT THAT THERE HAVE BEEN NO INCIDENTS SINCE SEPT, 17, AND THAT END OF FISHING SEASON IN SENKAKUS APPROACHING (ALL INCIDENTS REPORTED TO US SINCE 1968 HAVE OCCURRED JULY-SEPTEMBER) LEADS US TO BELIEVE THAT GRO HAS MADE AN EFFECTIVE EFFORT TO FORESTALL FURTHER INCIDENTS OVER SENKAKUS, WHILE PERMITTING RATHER STRIDENT PRESS COVERAGE TO CONTINUE (WHICH SO FAR HAS NOT ATTACHED U.S. ROLE IN RYUKYUS) AND TAKING FAIRLY HARD LINE PRIVATELY WITH US, WE BELIEVE LATTER MAY MAY HAVE BEEN NECESSARY TO MAKE FORMER EFFECTIVE, AS SUGGESTED PARA 2 REF. B.

6. USG BECOMES INVOLVED IN PROBLEM FOR THREE REASONS."

GRC AND GOJ ARE OUR ALLIES AND WE WANT THEM TO MAINTAIN

AMICABLE RELATIONS. MORE DIRECT USG INVOLVEMENT ARISES

PROM FACT THAT WE HAVE HAKEN POSITION THAT GOJ HAS RESIDUAL

SOVEREIGNTY OVEER SENKAKUS AND FROM OUR RESPONSIBILITIES

AS ADMINISTEREING AUTHORITY. IF WE CAN AVOID PROBLEMS

ARISING FROM THIRD POINT, WE WILL BE IN BETTER POSITION

TO REGAN IMPARTIALITY ON SOVEREIGNTY ISSUE AS IN REF. E AND F.

AND REMAIN IMPARTIAL ON CONTINENTAL SHELF ISSUE.

7. RECENT GRC ACTIONS SUGGEST IT MAY WISH AVOID CON-FRONTATION WITH USG ON SENKAKU INTRUSIONS, IF GRC AND GOJ COULD WORK OUT ARRANGEMENT FOR CHINESE FISHING ON BASIS CUSTOM OR COMITY, THE ASPECT OF PROBLEM IN WHICH USG MOST DIRECTLY INVOLVED WOULD BE SOLVED.

8. GRC: BY NOT CLAIMING SOVEREIGNTY OVER SENKAKUS: HAS L'EFT DOOR OPEN TO CONCEDE GOJ SOVEREIGNTY EVENTUALLY! PRINCIPAL GRC INTEREST IS IN UNDERSEA RIGHTS; AND GRC MAY BE PLANNING TO USE SOVEREIGNTY ISSUE IN BARGAINING ON UNDERSEA RIGHTS;

9. GRC IS PREPARED TALK WITH GOJ; BUT GOJ 80 FAR IS NOT

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PARED TOLK WITH GRO

10' WE THREFORE SUGGEST WE MAKE FOLLOWING REPRESENTATIONS TO GRC AND GOJ AT FOREIGN MINISTER LEVEL! (WE CAN PUT OUR APPROACH IN CONTEXT RESPONSE GRC DEMARCHE TAIPE! 4000 AND STATE 163140')

A. TELL GRC IT WOULD BE MOST UNFORTUNATES AND NOT IN GRC INTERESTS OF CHALLENGE USG ADMINISTERING AUTHORITY OVER SENKAKUS: THAT WE WELCOME RECENT GRC EFFORTS TO PRESENT FISHING AND ANY OTHER INTRUSIONS AND HOPE IT WILL CONTINUE THESE EFFORTS: THAT WE WILL ACCEPT FOR PERIOD WE ARE ADMINISTERING POWER, ANY FISHING ARRANGEMENT GOJ AND GRC AGREE TO; AND THAT WE ARE URGING GOJ TO DISCUSS ALL ASPECTS SENKAKU PROBLEM WITH GRC.

B. TELL GOJ WHAT WE ARE SAYING TO GRC. AND URGE
BOJ TO START TALING ASAP TO GRC SO AMICABLE SOLUTION CAN
BE FOUND TO ALL THREE ASPECTS OF PROBLEM. WE ASSUME WE
L. NOT GIVE ANY SUPPORTTO APPARENT GOJ POSITION THAT
I. IS UNWILLING DISCUSS ISSUE OF SOVEREIGNTY OVER SENKAKUS;
CERTAINLY PROSPECTS FOR AMICABLE SOLUTION WILL BE BOOR
IF GOJ WERE TO INSIST UPON GRC CONCEDING SOVEREIGNTY ISSUE
AS PRECONDITION ANY TALKS, GP-3

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ACTION: STATE DEPT (ARMY DCSOPS)

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SUBJECT TO GENERAL BEOLASON IS THE SCHEDULE OF EXECUTIVE OFFICE IT'S AUTOMATICALLY BOWNGRALED AT TWO YEAR INTERVALS

DECLASSIFY ON: 3/ACC/6

TALKING PAPER .

OPS IA RA Mr. Mills/mes/50221 20 Oct 70

SUBJECT: Territorial Dispute Over Senkakus

- 1. Background. Under Article 3 of the Treaty of Peace with Japan, the US has administrative rights over "Nansei Shoto." This term, as used in the treaty, refers to all islands, south of 29 degrees north latitude, which were under Japanese administration at the end of World War II. The US thus administers the Senkakus as a part of the Ryukyus; like other parts of the Ryukyus, the Senkakus will revert to Japan in 1972.
- 2. Dispute. The GRC has never formally accepted the US policy of recognizing Japan's residual sovereignty over the Ryukyus. Now that the USC has announced its intention of returning the Ryukyus to Japan in 1972, the GRC has started to press for a separate Ryukyus-Taiwan boundary settlement, including a claim to sovereignty over the Senkakus. The problem has been brought to the fore by recent Taiwanese fishing in waters immediately offshore of the Senkakus, by GRI patrols denying fishing privileges to the Taiwanese and by GRI entertainment of applications by US oil companies to conduct explorations there. The boundary issue between

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Japan and Taiwan has become even more important in view of recent oil discoveries in the adjacent continental shelf.

The ROK is also interested in mineral resources in the continental shelf, and it has issued exploration leases in the waters adjacent to the Senkakus.

3. US Position. Although the US recognizes Japan's residual sovereignty over "Nansei Shoto," including the Senkakus, it is the USG position that the Treaty of Peace is not necessarily the final determinant of the sovereignty issue. Any dispute which might arise regarding sovereignty over the Senkakus or the adjacent continental shelf should be resolved between the claimants or through third-party adjudication -- for example by the International Court of Justice. 4. US Problem. The Senkakus territorial dispute has placed the USG in a difficult position with respect to its allies. Until reversion of the Ryukyus in 1972, the USG will continue to use its good offices to attempt to get the claimants to resolve the issue amicably. Meanwhile, the USG will probably be subjected to increasing pressure from all claimants to support their respective positions. Some evidence of this is already apparent from the GOJ's proposal that the Senkakus be specifically listed in the reversion agreement, as a definitive part of "Nansei Shoto."



But Seoul and Taipel are themselves engaged in a separate dispute of their own over another area where Japan is a relatively late entrant in the competition.

Japanese Ambassador M. R. Kanajama lodged a protest set the South Kerean Foreign Ministry on Friday following a Korean concession deal with American oilman Wendell Phillips and reiterated a three-month-old demand for talks on a wide range of continental shelf disputes between the two countries.

Charging that the Kozean concession zones cut into projected Japanese exploration areas and that the Phillips concession overlaps an entire Japanese exploration zone, the Japanese exploration has annotanced that it will depart it survey beats into the Japanese annotanced that it will depart it survey beats into the Japanese annotanced that it will depart in the Japanese exploration of the Japanese exploration and the Japanese exploration zone.

Returning to Talwan after consultations here, Japanese Ambassador Osamu Itagaki issued a statement Saturday reaffirming Japanese territorial claims over the disputed Senkaku Islands north of Talwan and underlining Japanese plans to develop the offshore oil resources there despite a series of leases allocated this summer to Pacific Gulf, American Oil and Clinton International.

The Japanese Ministry of International Trade and industry announced plans on Thursday to post an eightman geological survey team on Okinawa "to establish mining rights" on the Senkakus and process concession applications.

#### U.S. Administration

The Senkakus have been administered by the United States since World War II as part of the Ryukuan island chain centering in Okinawa. When a conflict over the rocky, uninhabited island developed between Tokyo and Taipei, the United States indicated that they would be returned to Japan under the Okinawa reversion agreement along with the rest of the Ryukyus.

Ryukyuan government patrol boats "acting with U.S. concurrence" ordered Taiwanese fishing craft to leave the Senkaku area in a series of incidents two weeks ago.

In contrast to the rest of the Ryukyuan chain, the Senkakus lie on the continental shelf area where oll is believed to exist, and possession of the islands could be crucial in establishing Japanese claims to a position on the shelf in the complex legal struggle over oil rights now unfolding.

The current Pacific oil rush dates back to geological studies in 1968 and 1969 conducted by the Economic Commission

# East China Sea Becomes a Three-Nation Issue

for cific Gulf, Clinton and Amoco tween - the ter. suddenly got their leases. form uning The Talpei concession somes shaped both unding stretch northward for timere South Korean c

mmer Pa areas involved in disputes be nouncements,

Japan

hoped initially that a political Caltex is collaborating with Seoul and Taipei arouse ography and deep-water drill-

Royal dutch Shell have re. Japanese oilmen. havelved Korean concessions. The current clashes with ments of technology in ocean- with pollution.

the islands by Vice President given an overlapping conces- at the "encirclement" of the would be a bonanza for Japan. G. K. Yen on Sept. 25 and sion zone by South Korea and Japanese oil industry by the which currently imports foreign Minister James Shen is expected to play an impor- international oil companies. nearly \$1 billion worth of oil Tuesday have put a chill tant behind-the-scenes role in At the same time, Japan is yearly, almost all from the in the hitherto warm relations mediating the conflict. Impe- heavily dependent at present Middle East. Preliminary stud-Setween Taipei and Tokyo. rial Oil and Standard Oil of on technical cooperation with ies suggest that the East In addition to Caltex and California are also seeking to foreign companies in carrying China Sea deposits will yield Wendell Phillips, Gulf and negotiate joint ventures with out its own exploration activi- oil with a low sulfur content,

clash with Nationalist China the Japan Oil Development strong nationalist emotions ing. over the Senkakus could be Corporation in exploring one here directed not only at the The availability of oil avoided. But statements on area where it also has been two neighboring countries but nearby at favorable prices

ties and lacks significant ele- a potential boon in dealing

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eation possible deposits of the area narine drilling levels now Gulf. hs in a

> unreenile contain sive undeposits

after. anddenly got their leases. mated The Taipei concession stretch borthward for commission held by Clinic South Korean co Carrey, Wendell Phillips and

being attempted in the Gulf of Viewed in their entirety, the Despite the Mexico. Then this summer Parareas involved is disputes be nouncements.

ap for citie Gulf, Clinton and Appeco tween the form in

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concession. Royal dutch Shell have re. Japanese oilmen, harceived Korean concessions. The current clashes with me

hoped initially that a political Caltex is collaborating with Se clash with Nationalist China the Japan Oil Development st over the Senkakus could be Corporation in exploring one he avoided. But statements on area where it also has been tw the islands by Vice President given an overlapping conces- at K. Yen on Sept. 25 and sion zone by South Korea and Ja foreign Minister James Shen is expected to play an impor- in Tuesday have put a chili tant behind-the-scenes role in on the hitherto warm relations mediating the conflict. Impe- he Between Taipei and Tokyo. rial Oil and Standard Oil of on In addition to Caltex and California are also seeking to for Wendell Phillips. Gulf and negotiate joint ventures with ou

mained 1 so fat but diswestern diplomats turbed point out that most of the contested areas are part of the continental shelf extending from, the Chinese mainland and fear that sooner or later Peking will also assert its own claims.

Japan is seething over ab rupt recent moves by South Korea and Nationalist Cl granting concessions to U.S. companies in disputed waters before negotiations requested by Japan could get underway But Seoul and Talper are themselves engaged in a separate dispute of their ownsever another area where Japan is a relatively late entrant in the

DEPARTMENT OF THE ARMY

STAFF COMMUNICATIONS DIVISION

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JBJI SENKAKUS !

REFS! TAIPEL 4377. 4000 NOTAL, 4318, 3530 NOTAL

1. ACTING GRC FORMIN JAMES SHEN SAID 15 SEPT HIS GOVERNMENT EXPECTED JAPANESE AMBASSADOR TO RETURN EARLY IN OCTOBER WITH INSTRUCTIONS FOR FURTHER DISCUSSIONS OF SENKAKU ISSUE WITH GRC (REF B). JAPANESE DCM IN TAIPE! SUBSEQUENTLY TOLD OUR CHARGE THAT AMBASSADOR RETURNED WITHOUT INSTRUCTIONS, EXPLAINING THAT (A) GOJ REGARDED ISSUE OF JAPANESE SOVEREIGNTY OVER SENKAKUS AS NONNEGOTIABLE AND (B) THAT WHILE GOJ IS WILLING TO DISCUSS QUESTIONS OF CONTINENTAL SHELF WITH GRO GOJ HAS NOT YET BEEN ABLE TO DEFINE ITS POSITION ON SHELF ISSUE (REF. C). IT APPEARS THAT JAPANESE ARE TRYING TO RESOLVE INTERNAL DIFFERENCES. REGARDING GEOGRAPHIC AND LEGAL RELATIONSHIPS OF SENKAKUS WITH OTHER RYUKYU ISLANDS (REF D)"

2, EMBASSY TOKYO IS REQUESTED TO DETERMINE FROM APPROPRIATE GOJ OFFICIALS WHETHER JAPANESE POSTPONEMENT OF DISCUSSIONS WITH GRC HAS ANY OTHER MEANING AND, IF NOT, WHEN THEY ARE IKELY TO BE PREPARED TO TALK AND ON WHAT ISSUES.

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3. INFORMATION ABOUT JAPANESE INTENTIONS AND THINKING WILL ASSIST DEPARTMENT TO DETERMINE TENOR OF REPRESENTATIONS THAT US MIGHT USEFULLY MAKE TO GRC AND GOJ AS SUGGESTED IN REP.A. ROGERS
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O FROM THE DENERAL

SUBJECT: Senkaku Islands

Dept concerned over Senkaku problem and considers important that GOJ and GRC reach early and amicable resolution this issue. We are gratified by GRC effort to control incursions but it does not appear that parties are moving to resolve impasse. Accordingly Embassies Taipei and Tokyo requested to approach host govts at appropriately high level to make following representations.

2. For Taipei. Embassy should inform GRC of importance USG attaches to amicable resolution of Senkaku issue by GRC and GOJ. Embassy should inform GRC that USG welcomes recent GRC efforts to prevent fishing and other incursions and that it hopes these efforts will continue; that it would be unfortunate --- and not in GRC interests --- to challenge USG in carrying out its responsibilities as administering authority; that USG intends to carry out these responsibilities and in this connection, authorities in Okinawa will soon have substantially improved patrolling capability; and that USG is urging GOJ to discuss all aspects of Senkakus problem with GRC.

- 3. For Tokyo. Embassy should inform GOJ of substance para 2 above and urge GOJ discussions with GRC to reach amicable resolution on still aspects Senkakus problem. If appropriate Embassy should express hope that GOJ will avoid preconditions which might grevent initiation of discussions with GRC, i.e., refusal to discuss Senkaku Islands sovereignty.
- 4. Dept believes that some form of agreement providing Chinese access to Senkaku fishing area would remove one source of possible future confrontation with both GOJ and ourselves. (Although apparently under control for the moment, fishing incursions are likely to follow past pattern by recurring next spring). Such agreement might be between involved or between fisheries associations in Taiwan and Okinawa. In either case, success would depend in large part on Okinawan acceptance. Before pursuing matter further with GOJ and GRC, would appreciate HICOMRY views on prospects for Okinawan acceptance of such arrangements. Dept is also concerned over impending GRI action on applications for offshore exploration concessions which we understand will overlap with concessions already granted by GRC and will extend well beyond Senkaku territorial waters. GRI grant of such concessions will face USG with choice among acquiesence, veto or prolonged delay, the latter of which might be least unpalatable from USG view. USG delay or veto

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topa is also concerned over impossing CkT action on

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would however appear likely to embarass GOJ. It would wall mare well beyond for the following the control of the seem less embarrassing for GOJ and USG, if GRI action could be delayed until reversion (or until GOJ and GRC work problem the verte or prolonged cataly, the lander of wall out). Request Tokyo and Hicomry views on possibilities for unpalatable from USG view. USG delay on verte

inducing GRI delay.

6. Army concurs.

EA/J:HMMcElroy:bd

Richard A. Ericson

EA/GRC-

L/EA- Mr Greenwold

Army- Mr Freimuth

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# DEPARTMENT OF THE ARMY Mr. Mills/vms/50221 OFFICE OF THE DEPUTY CHIEF OF STAFF FOR MILITARY OPERATIONS WASHINGTON, D.C. 20310

OPS TA RA

MEMORANDUM FOR: DEPUTY UNDER SECRETARY OF THE ARMY (INTERNATIONAL) AFFAIRS)

SUBJECT: Territorial Dispute Over Senkakus

1. This is in reference to Mr. Freimuth's memorandum of 14 October, with which he forwarded for comment the inclosed draft message on this subject.

2. We concur with the inclosed message as being a most appropriate diplomatic initiative to overcome the difficult issues bearing on USG's current responsibility for administering the Senkakus as part of the Ryukyuan archipelago.

l Incl STATE DEPT Draft Message

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CLARKE T. BALDWIN, JR.

Brigadier General, GS

Director, International and
Civil Affairs, ODCSOPS

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#### CONFIDENTIAL

Mr. Mills/vms/50221

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Brigadier General, GS
Director, International and
Civil Affairs, ODCSOPS



#### DRAFT CABLE

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HICOMRY

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A) TAIPEI 4377

EXCLUDED FROM THE GENERAL DECLASSIFICATION SCHEDULE

SUBJECT: Senkaku Islands

Dept concerned over Senkaku problem and considers important that GOJ and GRC reach early and amicable resolution this issue. We are gratified by GRC effort to control incursions but it does not appear that parties are moving to resolve impasse. Accordingly Embassies Taipei and Tokyo requested to approach host govts at appropriately high level to make following representations.

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EA/J:HMMcElroy:bd

Richard A. Ericson

EA/GRC-

L/EA- Mr Greenwold

Army- Mr Freimuth

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SUBJI SENKAKUS

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STATE 1687941 B. TAIRET 43181 C. TOKYO 7989 REFI A.

EMBASSY CONSIDERS THAT GOU MOVING AS FAST AS IT CAN TO DEVISE NEGOTIATING POSITION WITH GRE OVER SENKAKU ISSUE! HOWEVER! COMPLEXITIES IN ISSUE WILL PREVENT GOJ FROM COMPLETING NEGOTIATING POSITION FOR SEVERAL WEEKS. END SUMMARY.

CONVERSATIONS WITH VARIOUS GOJ OFFICIALS CONCERNED WITH SENKAKUS PROBLEM DURING LAST FEW DAYS HAVE MADE IT VERY CLEAR THAT COMPLEXITIES OF DEVELOPING OPENING POSITION FOR JAPAN TO PUT FORWARD IS EXCLUSIVE REASONING FOR DELAY IN STARTING TALKS WITH GRC. COURTESY CALL BY POL COUNSELOR OCTOBER 13, FONOFF TREATIES BUREAU DIRECTOR GENERAL IKAWA REMARKED THAT GOJ CANNOT MAKE FORMAL AGREEMENT WITH ORC, LEST THIS STIMULATE CHICOMS TO INJECT THEMSELVES INTO DISPUTE

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AND POSSIBLY TO CLAIM ENTIRE SHELF UNDER NATURAL PROLONGATION THEORY. IKAWA SEEMED INCLINED ACCEPT INEVITABILITY OF EVENTUAL CHICOM INVOLVEMENT IN QUESTION; BUT SAID THAT FONOFF HAS NOTHING TO INDICATE WHAT POSITION PEKING MIGHT TAKE ON SHELF. OR PROBABLE TIMING OF CHICOM MOVE. AT ANY RATE. IKAWA NDICATED PREFERENCE FOR SOME KIND OF INFORMAL UNDER STANDING WITH GRC ON RIGHTS TO OIL DEPOSITS IN SHELF. BUT SEEMED GENUINELY PERPLEXED AS TO FORM AND MODALITIES; IKAWA REMARKED THAT FONOFF IS COMING UNDER PRESSURE FROM JAPANESE OIL COMPANIES AND. PARTICULARLY; FROM QUOTE OKINAWAN NATIONALISTS UNQUOTE TO TAKE EARLY, FIRM STAND.

2. DURING LUNCHEON CONVERSATION SAME DATE; HEAD QCEAN RESOURCES DEVELOPMENT SECTION, MIT! (HANAOKA) EXPRESSED TO EMBOFF VIEW THAT SENKAKUS AND REST OF RYUKYUS DESERVED FULL WEIGHT IN DRAWING ANY BOUNDARY LINE BETWEEN JAPAN AND CHINA ON CONTINENTAL SHELF; DEMARCATION, THEREFORE, SHOULD BE EQUIDISTANT BETWEEN SENKAKUS AND TAIWAN AND BETWEEN RYUKYUS AND CHINESE CONTINENT ALONG ENTIRE LENGTH CHINA COAST; HANAOKA SAID;

S. WHILE WE HAVE NOT RAISED QUESTION WITH FISHERIES AGENCY. WE ASSUME THAT IT ALSO FOLLOWING THIS MATTER WITH SOME INTEREST AND SOME CONCERN FOR REPERCUSSIONS ITS EVOLUTION MIGHT HAVE ON FISHERY COOPERATIVES AGREEMENT WITH CHICOMS, WHICH MUST BE RENEWED JUNE 1972.

A. ON OCTOBER 14 HEAD LEGAL AFFAIRS DIVISION FONOFF (KURIYAMA) CONFIRMED THAT GOJ AMBASSADOR TO GRORETURNED TAIPEI WITHOUT INSTRUCTIONS SINCE GOJ POSÍTION THAT TERRITORIAL ISSUE NOT NEGOTIABLE ALREADY CONVEYED TO GROAND SINCE GOJ EXPERIENCING DIFFICULTIES IN ELABORATING NEGOTIATING INSTRUCTION FOR CONTINENTAL SHELF ISSUE, ACCORDING TO KURIYAMA, PRINCIPAL DIFFICULTÝ OF CONTINENTAL SHELF ISSUE IS THAT OF DETERMINING PROPER LEGAL POSÍTION RESPECTING AMOUNT OF INFLUENCE EXERTED BY UNINHABITED ISLAND GROUP. CONSIDERATION COMPLICATED BY FACT THAT JAPANGKOREA CONTINENTAL SHELF DEMARCATION DISCUSSIONS ALSO WILL INVOLVE UNINHABITED

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ISLAND" KURİYAMA DID NOT INDICATE THAT ANY INTERNAL DIFFICULTIES EXISTED REGARDING GEOGRAPHIC AND LEGAL RELATIONSHIPS OF SENKAKUS WITH OTHER RYUKYU ISLANDS AS SUGGESTED REF (A)" GOJ, IN FACT, APPEARS TO REGARD GRC POSITION RE TERRITORIAL ISSUE AS ONE ADOTPED BY GRC ONLY FOR NEGOTIATING PURPOSES ON CONTINENTAL SHELF.

B' RE TIMING, EMBASSY CONSIDERS IT EXTREMELY DOUBTFUL THAT GOJ POSITION COULD BE ESTABLISHED WITHIN NEXT. THREE OR FOUR WEEKS.

6. EMBASSY HAS IMPRESSION THAT, WHILE GOJ MAY BE WILLING TO HEAR INFORMALLY GRC REPRESENTATIONS RETERRITORIAL ISSUE, GOJ WILL BE PREPARED TO RESPOND SUBSTANTIALLY ONLY TO ISSUE OF CONTINENTAL SHELF.

THE KURIYAMA MENTIONED THAT TREATIES BUREAU CONSIDERING POSSIBILITY DEFUSING CHINESE FISHERMEN PROBLEM ALONG IDEA FLOATED BY ITO (REF B) AND DESPITE OBSTACLES INDICATED BY TOGO (REF C). EMBOFF POINTED OUT TO KURIYAMA THAT IN ANY ACCOMMODATION WITH FISHERMEN PRIOR TO REVERSION GRI (ERGO USG) WOULD BE INVOLVED.

8. RE KOREAN DEMARCATION, KURIYAMA MENTIONED
THAT KOREANS HAVE RESPONDED FAVORABLY TO GOJ REQUEST
THAT BILATERAL DISCUSSIONS BE STARTED SOON; PRELIMINARY
DISCUSSIONS NOW REPORTEDLY UNDER WAY, AND SUBSTANTIVE
ISSUES WILL BEGIN TO BE JOINED IN NOVEMBER; IKAWA
TOLD POL COUNSELOR ( PARA 1, SUPRA) THAT GOJ DOES
NOT EXPECT SERIOUS PROBLEMS WITH THESE NEGOTIATIONS
AND DOES NOT BELIEVE FORMAL GOJ-ROK AGREEMENT
DEMARCATING SHELF BETWEEN JAPAN AND KOREA WOULD
PROVOKE CHICOM REACTION,
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DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

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SUBJECT: SENKAKUS

REFS! (A) TAIPEI 4208 (B) TAIPET 4138, AUGUST .17, 1968 (C) TAIPEI 4024, AUGUST 8, 1968

PARA 9 REF (A) SUGGESTED THAT NEGOTIATING RECORD OF 1954 MUTUAL DEFENSE TREATY WITH GRC MIGHT CONTAIN CHINESE ACCEPTANCE OF US ADMINISTRATION IN MORE SPECIFIC TERMS THAT IN ARTICLE 6 OF TREATY, WHAT MATERIALS WE HAVE BEEN ABLE TO CONSULT DO NOT RPT NOT ELUCIDATE THE QUESTION, THE ONLY RELEVANT STATEMENT IS IN DULLES TESTIMONY BEFORE SENATE FOREIGN RELATIONS COMMITTEE IN WHICH HE STATES THAT "ISLAND TERRITORIES OF USH INCLUDES RYUKYUS, SUCH A STATEMENT IS SOME EVIDENCE OF PROPER INTERS. PRETATION OF TREATY, BUT UNFORTUNATELY IS NOT RET NOT OUT OF MOUTH OF CHINESE, NOR MADE IN THEIR PRESENCE.

REFS (B) AND (C) PROVIDE EVIDENCE OF PREVIOUS CHINESE DA IN 551651 PAGE 1

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

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ACQUIESCENCE IN OUR ADMINISTRATION OF SENKAKUS AND MAY BE HELPFUL IN FUTURE DISCUSSIONS, PERHAPS YOU MAY HAVE SOMETHING OF A SIMILAR NATURE IN WRITING FROM THE CHINESE.

3. A FURTHER, ALBEIT NOT RPT NOT VERY PERSUASIVE; ARGUMENT BASED ON THE MUTUAL DEPENSE TREATY IS AVAILABLE, IT MAY BE POSSIBLE TO CITE THE FACT THAT THERE IS NO RPT NO US DEFENSE COMMITMENT IN THE EVENT OF AN ATTACK ON THE SENKAKUS AS SOME EVIDENCE THAT THEY WERE NOT RPT NOT CONSIDERED CHINESE TERRITORY, OF COURSE. THE SAME MAY BE SAID OF THE OFFSHORES, OVER WHICH WE DO RECOGNIZE CHINESE SOVEREIGNTY, SO THAT THIS ARGUMENT IS WEAK, CASE OF SENKAKUS MAY BE DISTINGUISHED FROM THAT OF OFFSHORSS FOR THESE PURPOSES SINCE SENKAKUS LIE EAST OF FORMOSA AND RELATIVELY MUCH FURTHER AWAY FROM MAINLAND THAN OFFSHORES, NOR WERE, SENKAKUS NECESSARILY TOO INSIGNIFICANT TO BE INCLUDED AS CHINESE TERRITORY SINCE SOME OF PESCADORES, PROTECTED BY TREATY, ARE OF SIZE COMPARABLE TO SENKAKUS, IRWIN BT ANNOTES

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REFS B AND C NOT IDENTIFIED

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DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

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INFO RUEHTP/AMEMBASSY TAIPEI 2051

RUMJSL/AMEMBASSY SEOUL 2472

RUAOADA/HICOMRY

RUHHHQA/CINCPAC

RUHHRGA/CINCUSARPAC

RUEKJCS/DOD

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CONFIDENTIAL TOKYO 8684 DOD FOR ISA; DA FOR IDUSA SUBJ: SENKAKUS AND CONTINENTAL SHELF 1. UN OCTOBER 26, 1970 FONDFF LEGAL AFFAIRS DIVISION HDAD KURIYAMA TOLD EMBOFF THAT GOJ AMBASSADOR IN TAIPEI CALLED UN GRC DEPTY FOREIGN MINISTER UNDER INSTRUCTIONS SENT FROM TOKYO CONCERNING SENKAKUS AND CONTINENTAL SHELF. AMBASSADOR REPORTED THAT HE TOLD GRC THAT GOJ HOPED TO SOLVE CONTINENTAL SHELF ISSUE BY QUIET BILATERAL DISCUSSIONS. HE REFERRED TO EXTENSIVE GRC EXPLORATION ZONES ANNOUNCED LAST WEEK, IN WHICH TIP OF NORTHERNMOST ZONE IS LOCATED OFF NORTHERN KYUSHU, INDICATED THAT THE GOJ DID NOT FIND SUCH EXTENSIVE CLAIMS ACCEPTABLE, AND REQUESTED GRC FLEXIBILITY IN DELIMITATION SUCH ZONES TO ALLOW FOR POSSIBLE COMPROMISE. GOJ AMBASSADOR ALSO REPORTED TO HAVE SAID THAT GOJ IS NOT PREPARED TO DISCUSS GRC CLAIMS TO SENKAKUS SINCE GOJ ASSERTS THAT THERE NO QUESTION REGARDING SENKAKUS OWNERSHIP. AMBASSADOR REPRESENTED THAT SENKAKUS WERE NOT COVERED UNDER JAPANESE PEACE TREATY ARTICLE 2, BUT WERE COVERED UNDER ARTICLE 3, GIVING USG PRESENT ADMINISTRATIVE RIGHTS. 2. GRC DEPTY FOREIGN MINISTER REPORTEDLY REPLIED THAT WHILE HE WAS NOT THEN IN POSITION TO REJECT

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

DUTRIGHT GDJ CONTINENTAL SHELF CLAIM AND WOULD HAVE TO CHECK WITH HIS MINISTER, THE CONTINENTAL SHELF IN QUESTION CLEARLY IS PROLONGATION CHINESE MAINLAND AND THAT DEEP OCEAN TRENCH BETWEEN SHELF AND RYUKYU ISLANDS CLEARLY ESTABLISHES THAT JAPAN WOULD HAVE NO CLAIM TO ANY PART OF SHELF. DEPUTY MINISTER ALSO ARGUED THAT SENKAKUS WERE INCLUDED UNDER ARTICLE 2 SINCE SENKAKUS ACQUIRED BY JAPANESE AS RESULT SIND-JAPAN WAR.

3. GOJ AMBASSADOR WAS NOT INSTRUCTED TO TABLE ANY SPECIFIC FORMULAS FOR APPORTIONING CONTINENTAL SHELF. 4. GIJ APPARENTLY REGARDS GRC TENTATIVE RESPONSE TO GOJ DEMARCHE AS UNDULY RIGID AND AS AUGURING BADLY FOR EARLY SUBSTANTIVE TALKS ON CENTRAL ISSUES. KURIYAMA SAID HE COULD NOT PREDICT NEXT STEPS AND INDICATED THAT GRC HAS GIVEN GOJ NO INDICATIONS THAT GRC ATTEMPTING DEFUSE POSSIBILITY CONFRONTATIONS IN SENKAKUS. IN FACT, KURIYAMA SAID THAT GOJ EMBASSY TAIPEL REPORTEDLY HAS DISCOVERED THAT GULF EXPLORATION CONCESSION INCLUDES SENKAKUS LAND AREAS AND AREAS WITHIN TER-RITORIAL WATERS OF SENKAKUS. RESPECTING KUREAN CONTINENTAL SHELF ISSUE, KURIYAMA SAID THAT HE AND DEPUTY DIRECTOR GENERAL EAST ASIA BUREAU KAN-AZAWA LEAVING FOR SEOUL NOVEMBER 3 TO SUPPORT GOJ EMBASSY IN INITIAL DISCUSSIONS ROK. SNEIDER BT NNNN

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ACTION: STATE DEPT (ARMY DCSOPS)

DISTR: OSA, DCSLOG, ACSI, CINFO, ACSC-E, TJAG

DA IN 092271

PAGE 2

\*\*\*\*\*\*\*\*\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\*\*\*\* \*\*\*\*\*\*\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\*\* Sen (calcu.

ACTION RAD INFO GEO IA

DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

VZCZCSCD341 OS#E691 DAIN 112344 3162335
RATCZYUW RUEKJCS9596 3162329-CCCC--RUEADWD.
ZNY CCCCC
R 122329Z NOV 70
FM JCS
INFO RUEADWD/DA
R 122124Z NOV 70
FM SECSTATE WASHDC
TO RUEIKO/AMEMBASSY TOKYO 1007
RUADADA/HICOMRY
INFO RUHHHQA/CINCPAC
BT
FEXCLUDE

C D N F I D E N T I A L STATE 185690 SUBJ: SENKAKUS ISLANDS

1. ALTHOUGH INITIATION GOJ-GRC TALKS HELPFUL, DEPT CONCERNED ABBUT LONGER RANGE PROSPECTS FOR RESOLVING SENKAKU PROBLEMS. 2. DEPT SHARES BELIEF THAT SOME KIND OF INFORMAL ARRANGEMENT TO FACILITATE CHINESE ACCESS TO SENKAKU FISHING AREA WOULD REMOVE ONE SOURCE OF POSSIBLE FUTURE CONFRONTATION (ALTHOUGH APPARENTLY UNDER CONTROL FOR THE MOMENT, FISHING INCURSIONS ARE LIKELY TO FOLLOW PAST PATTERN BY RECURRING NEXT SPRING). SUCH ARRANGEMENT MIGHT BE WORKED OUT BETWEEN GOVTS INVOLVED OR BETWEEN FISHERIES ASSOCIATIONS IN TAIWAN AND OKINAWA. IN EITHER CASE, SUCCESS WOULD DEPEND IN LARGE PART ON OKI-NAWAN ACCEPTANCE. WOULD APPRECIATE HICOMRY VIEWS ON PROS-PECTS FOR OKINAWAN ACCEPTANCE OF SUCH ARRANGEMENTS. 3. DEPT IS ALSO CONCERNED OVER IMPENDING GRI ACTION ON APPLICATIONS FOR OFFSHORE EXPLORATION CONCESSIONS WHICH WE UNDERSTAND WILL OVERLAP WITH CONCESSIONS ALREADY GRANTED BY GRC AND WILL EXTEND WELL BEYOND SENKAKU TERRITORIAL WATERS. GRI GRANT OF SUCH CONCESSIONS WILL FACE USG WITH CHOICE AMONG ACQUIESENCE, VETO OR PROLONGED DELAY, THE LATTER OF WHICH MIGHT BE LEAST UNPALATABLE FROM USG VIEW. USG DELAY OR VETO WOULD HOWEVER APPEAR LIKELY TO EMBARRASS GOJ AND USG APPROVAL OR ACQUIESENCE LIKELY TO EMBARRASS GRC. IT WOULD SEEM PREFERABLE IF GRI ACTION COULD BE DELAYED UNTIL REVERSION (OR UNTIL GOJ AND GRC WORK PROBLEM OUT). REQUEST TOKYO AND HICOMRY VIEWS ON POSSIBILITIES FOR INDUCING GRI DELAY, PARTICULARLY ON POSSIBILITY ENLISTING GOJ SUPPORT FOR INDUCING SUCH DELAY. 4. ARMY CONCURS.

DA IN 112344

SECH 1970

\*\*\*\*\*\*\*\*\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\* \*\*\*\*\*\*\*\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\*\*

### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

5. DEPT APPRECIATES EXCELLENT REPORTING THIS SUBJECT. IRWIN BT #9596 NNNN

ACTION: DCSOPS

DISTR: OSA, DCSLOG, ACSI, TJAG

DA IN 112344

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\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\*\*

#### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

EXCLUDED FROM THE GENERAL

VZCZCSCD120 QS#A497 DAIN 115105 3180622 RQTCZYUW RUEAAIAO127 3180622-CCCC--RUEADWD. DE RUEIKO 9219D 3180550 ZNY CCCCC ZZH R 140500Z NOV 70 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC 5566

INFO RUEKJCS/DOD RUEADWD/DA

RUADADA/HICOMRY

RUHHHQA/CINCPAC RUMJSL/AMEMBASSY SEDUL 249 PECLASSIFICATION SCHEDULE

RUEHTP/AMEMBASSY TAIPEI 2070

BT

CONFIDENTIAL TOKYO 9219

SUBJECT: SENKAKUS

REF: (A) STATE 185690; (B) SEDUL 5091; (C) TAIPEI 4696; (D) **TOKYO 8684** 

CLASSIFIED BY.

DOD FOR ISA; DA FOR DUSA

1. ON NOVEMBER 13, 1970 EMBOFF MET WITH CHIEF LEGAL AFFIARS DIVISION (KURIYAMA) AND DEPUTY HEAD CHINA DIVISION ANATANABE) TO DISCUSS CONTINENTAL SHELF DEVELOPMENTS.

2. DURING CONVERSATIONS FONDER OFFICIALS CONFIRMED REPORTS CONTAINED REFS (B) AND (C). GRC STILL HAS NOT REACTED TO GOJ DEMARCHE REPORTED REF (C) DESPITE INDICATION FROM GRC DEPUTY FOREIGN MINISTER, REPORTED REF (D), THAT HE WOULD CHECK WITH HIS MINISTER AND CONFIRM GRC REJECTION OF GOJ POSITION, OFFICIALS SAW LITTLE INDICATION THAT SHELF AND TERRITORIAL ISSUES BETWEEN GOJ AND GRC WOULD BE RESOLVED BY

PURSUING EXISTING NEGOTIATING BASE. 3. IN CONTRAST, KURIYAMA REPORTED THAT CONVERSATIONS WITH

KOREANS HAD RESULTED IN FRUITFUL DISCUSSIONS, AND FURTHER MEETING HAS BEEN PROPOSED FOR EARLY DECEMBER. KURIYAMA, HOWEVER, CRITICIZED KOREAN FOREIGN OFFICE FOR ALLOWING ITSELF TO HAVE BEEN BOXED IN BY PUBLIC ANNOUNCEMENTS OF ROK NEGOTIATING POSITION, WHICH MAKES IT EXTREMELY DIFFICULT FOR ROK FOREIGN OFFICE TO DEMONSTRATE ANY FLEXIBILITY, INCLUDING EVEN ACKNOWLEDGEMENT THAT NEGOTIATIONS WITH GOJ ARE IN PROGRESS. ROK INSISTED ON CALLING DISCUSSIONS NOV 4

AND 5 AS MERELY EXC T

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DA IN 115105

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#### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

GE OF GEWS. HOECKMTHT DESS, KURIYAMA PREDICTED THAT ROK AND GOJ SOON WOULD BE ABLE TO AGREE ON MOST IMPORTANT AREAS AND COULD ISOLATE REMAINING FEW AND MINOR AREAS FOR RESOLUTION THROUGH FURTHER NEGOTIATIONS. ANTICIPATED EARLY AGREEMENT ON UNDISPUTED AREAS WOULD ALLOW EXPLOITATION TO PROCEED BY CONCESSIONAIRES OF EACH SIDE. 4. RE LIAISON COMMITTEE REPORTED PARA (6) REF (C) AND SUBJECT LOCAL NEWSPAPER ARTICLES DATELINED NOV 12 FROM SECUL, OFFICIALS SAID THEY EXTREMELY DUBIOUS THAT COMMITTEES EVEN ! THOUGH FORMED OF HIGHLY INFLUENTIAL PERSONS, COULD MAKE ANY SUBSTANTIAL CONTRIBUTION TO EASING SHELF DELIMITATION PROBLEM. KURIYAMA SAID THAT COOPERATIVE EXPLOITATION OF RESDURCES CONSIDERED TO BE WITHIN JAPANESE JURISDICTION WOULD BE IMPOSSIBLE WITHOUT LEGISLATIVE ACTION, AND THAT SUCH ACTION WAS EXTREMELY IMPROBABLE. NEITHEJ KURU MMA NOR WATWHABE PROVIDED ANY EVIDENCE THAT JAPANESE INTIATIVE REPORTED IN AP ARTICLE PARA (6) REF (C) HAD ANY OFFICIAL GOJ BACKING. 5. IN DISCUSSION OF GOJ POSITION ON SHELF BETWEEN JAPAN AND KOREA, KURIYAMA, SPEAKING PERSONALLY, OPINED THAT IT WOULD BE EXTREMELY DIFFICULT FOR GOJ TO CONTINUE TO MAINTAIN POSITION THAT NORTH END OF OKINAWA TROUGH SHOULD BE IGNORED IN DELIMITING CONTINENTAL SHELF. 6. IN LIGHT OFFICIALS! VIEW THAT GRC UNLIKELY TO RESPOND IN ANY HELPFUL WAY TO EARLIER GOJ DEMARCHE, EMBOFF TOUCHED LIGHTLY PORTION OF IDR REFLECTED IN PARAS (2) AND (3) OF REF (A). BOTH WATANABE AND KURIYAMA REACTED GUARDEDLY BUT FAVORABLY TO IDEA THAT A NECESSARY CONDITION TO PROGRESS OF NEGOTIATIONS WOULD BE MODUS VIVENDI WHICH WOULD PREVENT OCCURRENCE OF ANY ADDITIONAL INCIDENTS THAT MIGHT INCREASE PUBLIC PRESSURES ON EITHER SIDE. THEY AGREED ALSO THAT MODUS VIVENDI FOR FISHER-MEN AND BIRD EGG COLLECTORS WOULD BE EXTREMELY IMPORTANT PART OF SUCH CONDITIONS, BUT THEY POINTED OUT THAT IDEA OF MODUS VIVENDI FOR FISHERMEN IS MUCH EASIER FOR JAPANESE TO ACCEPT THAN SIMILAR ARRANGEMENT FOR INTRUDERS WHO ACTUALLY LAND ON ISLANDS. IN RESPECT OF POSSIBLE ARRANGEMENT REGARDING CON-CESSION APPLICATIONS TO THE GRI, OFFICIALS SAID THAT GOJ

PROBABLY WOULD NOT BE ABLE TO REMAIN SILENT DURING ANY APPLICATION PROCESSING DELAY IF GRC CONCESSIONAIRES WERE BUILY WORKING CONCESSIONS ON SHELF CLOSE TO RYUKYUS. THEY

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

SAID, THEREFORE, THAT SUCH ARRANGEMENT WOULD BE WORKABLE ONLY IF GRC CONCESSIONAIRES STAYED AWAY FROM AREAS IN THEIR CONCESSIONS CLOSE TO THE RYUKYUS. WATANABE ALSO POINTED DUT DNE OF THE ISSUES PRECIPITATING JAPANESE PUBLIC INTERESTS IN PAST IN SENKAKUS WAS THAT OF DANGER TO SURVIVAL OF BIRDS NESTING ON ISLANDS POSED BY CHINESE EGG! HUNTERS, WHO PRESUMABLY WOULD BE ALLOWED TO CONTINUE ACCORDING TO LIKELY MODUS VIVENDI FORMULA. 7. OFFICIALS AGREED TO CONDUCT DISCREET SOUNDINGS IN GOJ TO TEST RECEPTIVITY TO IDEA OF MODUS VIVENDI. SINCE OFFICIALS INDICATED THAT THEY WERE UNCERTAIN THAT ANY DELAY IN PROCESSING CONCESSION APPLICATIONS WOULD BE ACCEPTABLE TO GOJ, EMBOFF DID NOT REQUEST THEM TO CONSIDER ALSO WHETHER GOJ WOULD BE WILLING TO ASSIST IN INDUCING SUCH DELAY ON PART OF GRI. KURIYAMA PROMISED REACTIONS OF GOJ WITHIN WEEK. IF REACTION IS FAVORABLE, EMBOFF WILL REQUEST GDJ CONSIDERATION OF SECOND STEP.

MEYER BT NNNN

GLASSIFIED BY
EXCLUDED FROM THE GENERAL
DECLASSIFICATION SCHEDULE

NOTE: A IS DA IN 112344 (70) DCSOPS

B IS NOT IDENTIFIED

C IS DA IN 556908 (70) STATE DEPT (ARMY DCSOPS)

D IS DA IN 092271 (70) STATE DEPT (ARMY DCSOPS)

ACTION: DCSOPS

DISTR: OSA, DCSLOG, ACSI, TJAG

DA IN 115105

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\*\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\*\*

#### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

VZCZCSCD143 OSHA245 DAIN 124017 3240410 RITCZYUW RUADADA1771 3240300-CCCC--RUEADWD. ZNY CCCCC

Rowin

R 2001057 NUV 70 FM HICOM UKINAWA RYIS TO RUEADHO/DA INFO RUEHC/SECSTATE RUEIKU/AMEMBASSY TOKYU RUEHTP/AMEMBASSY TAIPEI RUHHHQA/CINCPAC RUHHRGA/CINCUSARPAC BT

CONFIDENTIAL HCRI-LN

DA FOR ODCSOPS IN RA. STATE FOR ERICSON.

SUBJECT: SENKAKUS

A. SECSTATE 185690, 12 NOV 70 (NOTAL)
B. AMEMBTUKYD 9219, 14 NOV 70 (NOTAL)

1. (C) FOLLUWING ARE REQUESTED HICOMRY VIEWS ON POSSIBLE SENKAKU INTERIM ARRANGEMENTS.

C. (C)A. PARA 2: REF B SUGGESTS PUSSIBLE AGREEMENT BETWEEN GRI/GRC OR GRI FISHING ASSN/GRC FISHING ASSN TO ALLOW ORC FISHERMEN TO FISH IN SENKAKU WATERS. COVT-FU-COVT AGREEMENT WOULD PRESENT DIFFICULTIES IN THAT WE HAVE HELD AND CONTINUE TO HOLD THE POSITION THAT THE USG IS RESPONSIBLE FOR THE FOREIGN RELATIONS OF OKINAWA. AGREEMENT ON FISHING WITH AUSTRALIA WAS WORKED OUT IN COOPERATION WITH GOJ: GRI ITSELF HAS NOT ENGAGED IN DIRECT DIPLOMATIC NEGOTIATIONS WITH A THIRD COUNTRY ANDIS NOT STAFFED TO UNDERTAKE SUCH NEGOTIATIONS. FISHING IN SENKAKU AREA IS CONTROLLED BY GRI, AND DKINAWAN FISHERMEN WISHING TO FISH THERE ARE REQUIRED TO OBTAIN ADVANCE APPROVAL FROM GRI. UMLIKE MANY FISHING AREAS AROUND THE LARGER ISLANDS IN THE RYUKYUS, SENKAKU AREA HAS NOT RPT NOT BEEN GRANTED TO DNF PARTICULAR FISHING ASSOCIATION. THUS THERE IS NO LUCAL FISHING ASSOCIATION PARTICULARLY RESPONSIBLE FOR THE AREA.

B. DKINAMAAN FISHING ARDUND SENKAKUS IS SPORADIC AND IT IS POSSIBLE THAT MORE GRC FISHING BOATS VISIT AREA IN COURSE OF A YEAR THAN DO DKINAWAN BOATS. FISHING IN AREA IS OF THREE MAIN TYPES; BOTTOM FISHING, HAND LINE FISHING FOR SKIPJACK, AND METTING, WHERE THE NET IS PULLED UP ONTO THE SHORE. LOCAL SOURCES STATE BEST FISHING IS FOUND WITHIN THREE-MILE TERRITORAL LIMIT. AS NOTED PARA 6, REF B.

> \*\*\*\*\*\*\*\* \*CUNFIDENTIAL\* \*\*\*\*\*\*\*\*\*

DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

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IT WOULD BE MUST DIFFICULT TO SEPARATE FISHING FROM PENETRATIO | OF

TERRITORIAL WATERS AND LANDING.

C. A FUTHER DIFFICULTY IN PROPOSING SOME TYPE OF FORMAL MODUS VIVENDI IS THAT FURMULAE THUS FAR PRESENTED CONTAIN NOTHING FOR OKINAWA. GRI MOW CLAIMS FULL RIGHT TO THE SENKAKUS AND THEIR ADJACENT TERRITORAL WATERS, BELIEVE THAT IF AGREEMENT ON FISHING IN THESE WATERS WERE TO BE PROPOSED GRI WOULD AT A MINIMUM, PARTICULARLY CONSIDERING ITS INTEREST IN AREA'S DIL POTENTIAL (SEE BELOW), REQUIRE RECOGNITION BY GRC OF OKINAWA'S CLAIM TO SENKAKUS. APPEARS DOUBTFUL, HOWEVER, THAT GRC WOULD BE WILLING TO ACCORD SOVEREIGNIY TO GRI IN RETURN FOR FISHING RIGHTS.

D. WITH CUMMISSIONING OF LARGER PATROL VESSEL "DKINAWA," GRIPDLICE PLAN TO ASSIGN SMALLER "CHITOSE" TO PATROL ISHIGAKI AREA. "CHITOSE" NOW IN JAP N FOR ANNUAL REFIT, IS SCHEDULED TO ARRIVE ISHIGAKI IN MID-DECEMBER AND BEGIN PATROLS OF SENKAKUS ON MONTHLY OR MORE FREQUENT BASIS. THESE PATROLS WILL BE SUPPLEMENTED BY LONG-PANGE PATROLS OF "OKINAWA"TO SENKAKU AREA. WE HAVE ENCOURAGED AND SUPPORTED GRI IN ITS EXERCISE OF SOVERIGNTY OVER SENKAKUS ASHAS GOJ. BELIEVE POLITICAL FEED-BACK WOULD BE STRONG WERE WE TO ATTEMPT INFLUENCE GRI

CUT BACK ON PLANMED PATROL ACTIVITY.

3. (C) PROBLEM OF OFFSHORE EXPLORATION CONCESSIONS, PARA 3, REF B. ALSO HAS, SPECIAL DKINAWAN OVERTUNSES. IN ADDITION TO GOJ CONCERN ABOUT

ACTIVE EXPLORATION IN GRC CONCESSIONS (PARA 6, REF A), DKINAWAN OFFICIALS ARE CUNCERNED OVER POSSIBLE LOSS TO OKINAWA OF BENEFITS OF ANY OIL DISCOVERIES IF DECISION UN MAINING CONCESSIONS DELAYED UNTIL

POST-REVERSION PERIOD. THEY RECOGNIZE THAT OFF-SHORE AREAS ARE STATE PROPERTY UNDER GOJ LAW AND BENEFITS OF POST-REVERSION CUNCESSIONS WOLLD

PROBABY FLOW TO GOJ, NUT OKINAWA PREFECTURE. THE THREE CURRENT CONCESSION APPLICANTS ARE OKINAWAN, SO APPROVAL OF ONE OF THESE APPLICA-

TIONS WOULD ENHANCE POSSIBLITIES OF OKINAWAN BENEFITS POST-REVERSION.
GRI HAS RECENTLY BEEFED-UP STAFF WORKING ON PETITIONS AND HUPES TO
HAVE

COMPLETED SCREENING OF APPLICATIONS BY END OF THIS YEAR. APPROVAL OF SUCCESSFUL APPLICATION OR APPLICATIONS COULD OCCUR BY SPRING OF 1971. GIVEN THE OKINAWAN PAROCHIAL CONCERNS ON THIS MATTER, IT IS UNLIKELY THAT GRI WOULD BE RECEPTIVE TO U.S. EFFORTS TO DELAY GRANTING OF

DA IN 124017

Parochials.

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

DFF-SHORE
CONCESSIONS, EVEN IF THIS PUSITION WERE SUPPORTED BY GOJ.
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DA IN 12/017

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#### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

VZCZCSCD225 QS#F940 160492 3491022 RATCZYUW RUEKJCS8106 3491022-CCCG--RUEADWD. ZNY CCCCC R 151022Z DEC 70 FM JCS

INED BUEADWD/DA

R 1507457 DEC 70 FM AMEMBASSY TOKYO

TO RUEHD/SECSTATE WASHDC 6033 INFO RUMJOH/AMCONSUL HONG KONG 2141 RUMJSL/AMEMBASSY SEDUL 2536 RUEHTP/AMEMBASSY TAIPEI 2113 RUADADA/HICOMRY BT

SPECIAL HANDLING REQUIRED NOT RELEASABLE TO FOREIGN

CONFIDENTIAL TOKYO 10108 NOFORN

SUBJ: TAIWAN-KOREA-JAPAN JOINT VENTURE TO DEVELOP RESOURCES OF CONTINEN EL SHELF

A) STATE 199272; B) TOKYO 9802 PROPONENTS HERE OF THREE-NATION DCEAN DEVELOPMENT SUMMARY. LED BY KISHI CONFIDANT KAZUD YATSUGI, PROPOSE BY-PASS LEGAL QUESTIONS AND CLAIM TENTATIVE ASSENT FORM GRC AND ROK LEADERS. FUNDFF, ON OTHER HAND, HAS RESERVATIONS, SOME LEGAL BUT ALSO HAVING TO DO WITH EFFECT ON PEKING. YATSUGI TOLD US SOME FORM OF U.S. PARTICIPATION IN DIL EXPLORATION PROBABLY DESIRABLE BUT WE HEAR HE IMPLIED OTHERWISE TO KOREANS. NEXT MEETING TOKYO DECEMBER 21.

END SUMMARY. PROPONENTS OF THREE NATION OCEAN DEVELOPMENT SCHEME AND FONOFF HAVE SOMEWHAT OPPOSED VIEWS ON DESTRABILITY AND PRACTICABILITY OF IDEA, BUT IT WOULD SEEM BACKERS, LED BY KAZUO YATSUGI (ELDERLY KISHI CONFIDANT AND APPARENT AUTHOR OF PROPOSAL) HAVE INTEREST AND PERHAPS EVEN TENTATIVE APPROVAL OF TOP POLITICAL AND BUSINESS LEADERS HERE TO

SEE HOW FAR THAY CAN GO WITH IDEA.

YATSUGI, ONE OF FOUNDING FATHERS OF JAPAN-KOREA AND JAPAN-GRC COOPERATION COMMITTEES, GAVE INFORMAL RUNDOWN H DCM. PROPOSALS WOULD GTE PUT ON SHELF UNGTE BOUNDARY DISPUTES WHICH WERE OTE PROBABLY INSOLUBLE UNOTE BECAUSE OF COMPLEXITY

Futenshelf 1507452 DEC 70
Bundary Disputes

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### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

AND PRESENCE OF PEKING AS UNINVITED ACTOR AND PROVIDE FOR JOINT THREE NATION DEVELOPMENT OF UNDERSEA RESOURCES, I.E., YATSUGI SAID GRC HAD BEEN FAIRLY INTERESTED FROM BEGINNING BUT THAT IT HAD BEEN HARDER TO CONVINCE ROK BECAUSE OF ACTIVITIES U.S. DILMAN PHILLIPS (PROTECT INFORMATION). HOWEVER, WHEN YATSUGI WENT TO SECUL FOR NOVEMBER 12 TING HE RECEIVED DECORATION FROM PRESIDENT PARK FOR SERVICES TO KOREAN-JAPAN RELATIONS. ACCORDING TO YATSUGI, AT THAT TIME PARK, JAPANESE AMBASSADOR, KOREAN AMBASSADOR TO TOKY NDEAND YATSUGI DISCUSSED PROPOSAL AND PARK GAVE HIS APPROVAL. PROJECT, ACCORDING TO YATSUGI, STILL IN EXPLORATORY STAGE WITH NEXT MEETING SET FOR TOKYO DECEMBER 21. TENTATIVE IDEA IS FOR PRIVATE JOINT STOCK COMPANY (PROBABLY WITH INFORMAL GOVERNMENT BACKING AS NECESSARY). ARRANGEMENT MIGHT HAVE TO BE RATIFIED IN SOME FORM BY COGERNMENTS CONCERNED ALTHOUGH IT WOULD BE UNWASE, FOR INSTANCE, TO HAVE PROJECT REQUIRE JAPANESE DIET APPROVAL. YATSUGI VOLUNTEERED THERE WAS AGREEMENT IN PRINCIPLE ON INVOLVEMENT AMERICAN FIRMS BUT NO CONSENSUS HAD EMERGED RE WHETHER AMERICAN FIRM'S ASSISTANCE WOULD BE SOUGHT ONLY FOR TECHNOLOGY OR FOR ACTUAL CAPITAL PARTICIPATION. YATSUGI DID NOT DESGUISE UNDERLYING PROLITICAL PURPOSE OF FINDING PRACTICAL, PUBLICZU ACCEPTABLE SOLUTION TO PROBLEM THAT WOULD FURTHER LOCK JAPAN IN WITH TAIPEI AND KOREA AND FORESTALL TO EXTENT POSSIBLE PEKING'S EFFORTS TO KE POLITICAL HAY. HE SPOKE DISDAINFULLY OF QTE BUREAUCRATS UNGTE IN FOREIGN MINISTRY AND MITI WHO ACCORDING TO YATSUGI, WISHED TAKE CASE TO ICJ. YATSUGI HAD ISCUSSED PLANS WITH SATO AND FOREIGN OFFICE VICE-MINISTER MORI, AND HAVING RECEIVED NO DISCOURAGEMENT, HAD MOVED AHEAD. JAPANESE SIDE AT NEXT MEETING WOULD INCLUDE NEW JAPAN STEEL'S NAGAND AND KEIDANREN'S HORIKOSHI, AND WELL CONNECTED ECONOMIC LEADERS FROM GRC AND ROK WOULD COME. IN CONTRAST, FUNDER SEEMS TO BE TAKING SOMEWHAT DIM VIEW OF YATSUGI'S EFFORTS. HEAD, C HINA DIVISION (HASHIMOTO) TOLD EMBOFF FONOFF HAD BEEN KEPT GENERALLY INFORMED OF YATSUGI'S PLANS BUT THAT HE WAS ACTING ON PURELY PRIVATE BASIS WITHOUT APPROVAL AND ENCOURAGEMENT OF GOJ. HASHIMOTO SAID, ALMOST GRUDGINGLY, THAT YATSUGI DID HAVE CLOSE CONTACTS WITH THE GIMO AND PRESIDENT PARK. HASHIMOTO SAID

> 150745Z DEC 70 PAGE 2

\*\*\*\*\*\*\*\*\*\*\* \*CONFIDENTIAL\* \*\*\*\*\*\*\*

FONOFF COULD NOT GIVE APPROVAL FOR THIS TYPE

### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

DF SOLUTION ALTHOUGTH YATSUGI DID HAVE POLITICAL INFLUENCE. HEAD, NORTHEAST ASIA DIVISION (DATE) STARTED OFF BY SAYING HE DIDN'T TAKE PROPOSAL VERY SERIOUSLY BUT WOUND UP ADMITTING THERE MIGHT BE SOMETHING TO IT. DATE SAID YATSUGI WAS EXTREMELY CRAFTY MAN WHO ACTED FOR KISHI. IT IS CLEAR ROK IS INTERESTED IN PROPOSAL AND REPORTEDLY KOREAN AMBASSADOR SUPPORTS DATE SAID YATSUGI HAD EXPLAINED IDEA TO KOREANS AS QUE ASIA FOR ASIANS UNQTE WAY OF FREEZING OUT U.S. DIL COMPANIES. DATE CONCLUDED PROPOSAL MIGHT WORK WITH KOREANS BUT THAT VIS A VIS TIE UP WITH GRC, POSITION OF PEKING MIGHT COMPLICATE MATTER GREATLY FOR JAPANESE. FONOFF LAWYERS PROFESS MYSTIFICATION AS TO HOW YATSUGI GROUP CAN QTE PUT ON SHELF UNQTE BOUNDARY DISPUTES. KURIYAMA ( LEGAL AFFAIRS DIVISION CHEEF) POINTS OUT THAT. ACCORDING GOJ MINING LAW, NO GROUP FORMED OF SUBSTANTIAL FOREIGN INTERESTS CAN EXPLOIT RESOURCES CLAIMED BY JAPAN. ACCORDINGLY, CONTINENTAL SHELF WOULD HAVE TO BE DELIMITED IN SOME AUTHORITATIVE FASHION BEFORE TRI-NATIONAL GROUP WOULD BE ALLOWED BY GOJ TO GEGIN OPERATIONS ANYWHERE CLOSE ONLY ALTERNATIVE DELIMITATION, ACCORDING KURIYAMA, TO JAPAN. WOULD BE SPECIAL DIET CONSIDERATION AND APPROVAL OF WHOLE YATSUGI OPERATION, TANTAMOUNT TO SPECIAL LEGISLATION, WHICH, HOWEVER, KURIYAMA BY NO MEANS RULED OUT. COMMENT: BOTH YATSUGI'S PROPOSAL AND FONOFF RESERVATIONS ARE FUNDAMENTALLY POLITICAL IN NATURE - THEY HAVE TO DO WITH SOMEWHAT DIFFERENT APPROACHES TO CHINA PROBLEM. YATSUGI AND KISHI HOPE TO FURTHER LOCK JAPANESE INTO RELATIONSHIP WITH TAIPEI BUT FONDER, WHICH ALSO FAVORS RELATIONSHIP WITH TAIPEL, FEARS SCHEME COULD LEAD TO CONFRONTATION WITH PEKING AND/DR BLOCK EVENTUAL ACCOMMODATION WITH MAINLAND. OTHERS BESIDES FONOFF WILL SHARE THESE RESERVATIONS. HOWEVER ONE BLANNCES WITH YATSUGI (WHO IS SHADOWY BACK-STAGE OPERATOR) SAID TO US AND TO KOREANS, IT SEEMS LIKELY THAT ANY SUCH JOINT OPERATION WOULD, AS HE SAID, WANT SOME FORM OF U.S. COOPERATION FOR POLITICAL AS WELL AS ECONOMIC REASHONS. DECEMBER 21 MEETING SHOULD PROVIDE BENCH MARK FOR 10. JUDGING HOW FAR PROJECT MAY GO. YATSUGI PROMISED TO KEEP US INFORMED AND WE WILL PROVIDE FURTHER INFORMATION ON POINTS RAISED IN REFTEL AS IT BECOMES AVAILABLE. GP-3. MEYER BT

ACTION: DCSOPS

DISTR : DCSLOG, ACSFOR, ACSI, COFENGRS, CRD

150745Z DEC 70

PAGE 3

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#### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

VZCZCSCD335 OS#G215 REUP 178211 3622218 RQTEZYUW RUEAIEDO130 3622218-EEEE--RUEADWD. DE RUEKJCS #8397 3622214 ZNY EEEEE

R 2822147 DEC 70 FM JCS: INFO RUEADWD/DA

RUEKAAA/ANMCC R 2821092 DEC 70

EM CINCPAC

INEO JCS ...

R 260035Z-DEC 70
FM ADMIN CHMUSTDC
TO RUHHHOA/CINCPACINFO RUHHBRA/CINCPACFLT
RUHGDAA/COMSEVENTHFLT
ZEN1/COMSEVENTHFLT DET ALFA
RUEHTP/USDAO TAIPEI
RUMJOH/USDAO HONG KONG
RUYRSAA/CTF SEVEN TWO
RUADJUA/COMUSKORFA
RUHHASA/COMASWFURPAC
BT

GLASSIFIED BY EXCLUSED FROM THE GENERAL DEGLASSIFICATION SONEDULE

UNCLAS E F T D
PETROLEUM SURVEY BPS

A. AMCONSUL HONG KONG 240500Z DEC 70 MOTAL

1. (U) FOLLOWING PASSED FOR INFORMATION.

2. (U) JAPAN TIMES 21 DEC ISSUE CARRIED FOLLOWING:

"BUSINESS LEADERS OF JAPAN, SOUTH KOREA AND TAIWAN WILL MEET IN TOKYO MONDAY AND TUESDAY 21 AND 22 DEC TO DISCUSS THE FEASIBILITY OF THEIR COOPERATION IN DEVELOPMENT OF OCEAN RESOURCES IN AREAS OF EAST CHINA SEA AND SEA OF JAPAN.

" THE OCCASION WILL BE THE FIRST SESSION OF THE PRIVATE THREE-NATION OCEAN DEVELOPMENT SPECIAL COMMITTEE.

THE COMMITTEE WAS DECANIZED IN SECUL IN NOVEMBER AT A JOINT MCETING OF THE JAPAN-KOREA COOPERATION COMMITTEE AND THE JAPAN-TAIWAN COOPERATION COMMITTEE.

"HOW TO HANDLE TERRITORIAL CLAIMS BY THE REPUBLIC OF CHINA ON THE SEMEAKU ISLANDS, SOUTHWEST OF OKINAWA, WILL BECOME A FOCAL POINT IN THE DISCUSSIONS AT THE COMING (MEETING) INFORMED SOURCES

260035Z DEC 70

#### DEPARTMENT OF THE ARMY STAFF COMMUNICATIONS DIVISION

SAID.

"JAPAN CLAIMS THAT THE SENKAKU ISLANDS ARE PART OF THE RYUKYU ISLANDS SITUATED BETWEEN JAPAN AND TAIWAN. KOREA LAYS CLAIM TO THE ISLANDS NEIGHBORING WATERS.

"IN THE COMING MEETING JAPANESE DELEGATES ARE EXPECTED TO PRO-POSE THAT THE TERRITORIAL ISSUE BE SHELVED AND STRESS THE NEED FOR ESTABLISHING A COOPERATIVE SETUP FOR JOINT SURVEYS AND DEVELOPMENT." 3. (LOU) REF A INCLUDED FOLLOWING SUMMARY NEW CHINA NEWS AGENCY REPORT. THE NOMA ARTICLE WAS PRUBABLY IN RESPONSE MEETING DESCRIBED PARA 2:

"A BRIEF DEC 23 NCNA ITEM DENOUNCED THE TRIPARTITE COMMITTEE MEETING OF DEC 21 IN TOKYO WHICH REPORTEDLY DISCUSSED THE ESTABLISHMENT OF A JOINT OCEAN DEVELOPMENT COMPANY TO BE FORMED BY JAPAN, SOUTH KOREA AND THE GRC TO EXPLOIT THE EAST ASIAN CONTINENTAL SHELF. NCNA NOTED REPORTS THAT THE U.S. MIGHT PARTICIPATE IN THIS PROJECT WHICH, IT CHARGED, WOULD "SQUARELY CHALLENGE THE SOVEREIGNTY OF THE PRC." THE ARTICLE FOLLOWS UP THE FIRST CHINESE COMMENT ON THE SUBJECT ON DEC 3 AND INDICATES THAT PEKING IS FULLOWING THESE DEVELOPMENTS CLOSELY."

BT #8397 NNNN

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