

The Paracel and Spratly Islands, two obscure archipelagos in the South China Sea with little arable land and no indigenous population, consist of coral islands, reefs, and shoals, many of which are barely above sea level -- the highest points of land are 46 feet and 13 feet respectively. We first reported on them in 1998 as "Conflict in the South China Sea" <http://www.ukdf.org.uk/assets/downloads/rs8.htm>

U.K. Defence Forum Research Associate Joseph E Fallon has returned to and updated the story of how they are at the centre of international disputes between China and six of her neighbours: Vietnam, Taiwan, Malaysia, Brunei, Indonesia, and the Philippines reject China's claim of legal ownership of those islands and/or their surrounding waters.

**The Paracel Islands** in the north consists of 130 coral islands and reefs whose combined surface area is less than three sq. miles strewn across 5,800 sq. miles of the South China Sea. The islands, situated east of Vietnam and south of China, are claimed by Vietnam and Taiwan, but are occupied by China.

Vietnam's claim to the Paracels, however, is weakened by Hanoi's previous recognition of China's claim to the islands. In 1956, South Vietnam (Saigon) at war with North Vietnam (Hanoi) formally annexed the Paracel Islands. China officially responded to Saigon's action in 1958 by reasserting its territorial claim to that archipelago. In 1974, in the Battle of the Paracels, Beijing expelled the South Vietnamese from the islands. In the course of the battle, the South Vietnamese requested assistance from the U.S. Seventh Fleet. Washington denied the request. In both 1958 and 1974, Hanoi supported China.

In *China's Claim of Sovereignty over Spratly and Paracel Islands: A Historical and Legal Perspective*, 23 Case W. Res. J. Int'l L. 399 (1991), Professor Teh-Kuang Chang, Ball State University, Muncie, Indiana, U.S., cites Hanoi's 1958 recognition of China's territorial claim.

"On September 6, 1958, Nhan Dan, central organ of the Vietnamese Workers Party, prominently featured on its front page details of the Chinese government's declaration. It wrote, 'On September 4, 1958, the government of the People's Republic of China issued a declaration on China's territorial sea. The declaration provides that the breadth of China's territorial sea is twelve nautical miles (over 22 kilometers). This provision applies to all territories of the People's Republic of China, including the Chinese mainland and its coastal islands, as well as Taiwan, and its surrounding islands, the Penghu Islands, the Dongsha Islands, the Xisha Islands [Paracels], the Zhongsha Islands, the Nansha Islands [Spratlys] and all other islands belonging to China which are separated from the mainland and its coastal islands by the high seas.'"

"On September 14, 1958, Premier Pham Van Dong of the Vietnamese government solemnly stated, in his note to Premier Zhou Enlai of the Chinese State Council, that 'the Nam recognizes and supports the declaration of the government of the People's Republic of China on China's territorial sea made on September 4, 1958,' and that 'the government of the Democratic Republic of Vietnam respects this decision.'"

**The Spratly Islands** in the south with a combined surface area of less than one sq. mile are sprinkled across 164,000 sq. miles of the South China Sea. In the 2015 article, *The Spratly Island Dispute – A Discourse Analysis*, Lin Alexandra Mortensgaard writes: "There is some confusion as to the number of islands, reefs, rocks and atolls that the Spratly Islands consist of. Some academics claim up to 230 while others speak of 150 "named landforms" and some only include 40-50 islands and reefs. Even the CIA seems uncertain in its estimate when writing that the Spratlys consist of '100 or so islets'".

Geographically, the Spratly Archipelago is closer to Vietnam, Malaysia, Brunei, Indonesia, and the Philippines than to China. While China occupies all of the Paracel Islands, it has a presence on only seven of the Spratly Islands. Taiwan has a presence on one, the largest, Itu Aba; Vietnam on twenty-one, the Philippines on eight, and Malaysia on three.

According to *GlobalSecurity.org*, China, Taiwan, and Vietnam base their respective claims on historical records. Malaysia bases its claim "upon the continental shelf principle". The Philippines bases its claim "upon the proximity principle as well as on the explorations of a Philippine explorer in 1956". Brunei "does not claim any of the islands but claims part of the South China Seas nearest to it as part of its continental shelf and Exclusive Economic Zone (EEZ)." Indonesia also does not claim any islands, but disputes the claims of both China and Taiwan because they "extend into Indonesia's EEZ and continental shelf, including Indonesia's Natuna gas field."

The contending parties are creating "facts on the ground" establishing a physical presence on the islands to support their legal claims. Malaysia, for example, has built a hotel. China, however, and to a lesser extent Vietnam, have militarized the South China Sea. They have been engaged in "island building" creating military outposts that include military length runways, port facilities, surface-to-air missiles, mobile missile launchers, and powerful radar installations.

*Asia Maritime Transparency Initiative* reported as of May 2016, "Vietnam has created just over 120 acres of new land in the South China Sea, mostly at Spratly Island, Southwest Cay, Sin Cowe Island, and West Reef. The majority of this work has occurred in the last two years. By comparison, China has created almost 3,000 acres of new land at the seven features it occupies in the Spratly Islands."

Pictures of the construction work on the Spratly Islands undertaken by China, Taiwan, Vietnam, Malaysia, and the Philippines can be viewed at the Island Tracker Archive website of Asia Maritime Transparency Initiative <https://amti.csis.org/island-tracker/>.

Both the Paracels and the Spratlys, which are rich fishing grounds, may or may not contain oil and natural gas reserves. *The CIA World Factbook* states, "In 1968 oil was discovered in the region. The Geology and Mineral Resources Ministry of the People's Republic of China (PRC) has estimated that the Spratly area holds oil and natural gas reserves of 17.7 billion tons ( $1.60 \times 10^{10}$  kg), as compared to the 13 billion tons ( $1.17 \times 10^{10}$  kg) held by Kuwait, placing it as the fourth largest reserve bed in the world."

However, a *U.S. Energy Administration* analysis "shows that most fields containing discovered oil and natural gas are clustered in uncontested parts of the South China Sea, close to shorelines of the coastal countries, and not near the contested islands. Industry sources suggest almost no oil and less than 100 billion cubic feet of natural gas in proved and probable reserves exist in fields near the Spratly Islands. The Paracel Island territory has even less natural gas and no oil."

What is more important is the fact that these two archipelagoes are located in the South China Sea, one of the world's major shipping corridors. According to the *Council on Foreign Relations*, "more than \$5.3 trillion worth of shipping travels through the sea each year; \$1.2 trillion of this trade belongs to the United States." This statistic explains Washington's interest in the region.

In "***Why the South China Sea is so crucial***", *Business Insider*, February 20, 2015, Robert Kaplan, former member of the Pentagon's Defense Policy Board, notes "...and 80 per cent of China's crude oil imports come through the South China Sea. Whereas in the Persian Gulf only energy is transported, in the South China Sea you have energy, finished goods, and unfinished goods."

This statistic explains China's claim to the Paracels, the Spratlys, and 90 percent of the South China Sea. The claim is a sign of weakness, not strength. China's economy is narrow, based on manufacturing, and unbalanced, confined to the coast. Growth is dependent upon the importation of raw materials for manufacturing finished goods for export.

To control the Paracel and Spratly Islands is to control the South China Sea. To control the South China Sea is to control China's economy.

The stability of the Chinese economy, which means the stability of the Chinese government, is vulnerable to any foreign power being in a position by controlling the South China Sea to blockade Chinese ports.

As Beijing seeks to shift from exports to domestic consumption, China's economy will become, at least initially, more volatile and vulnerable to who controls the South China Sea.

In *Checkmate: China's Containment of U.S. Containment Policy, October 9, 2017*, I wrote during the Korean War, U.S. strategists devised the "island chain strategy" for dealing with China. "...it consists of two chains of islands, each chain at a different distance from China's coast. The first extends from Japan to Okinawa to Taiwan to the Philippines to Malaysia. The second stretches from Japan to Guam to Palau to Indonesia. The first island chain is the more important as it enables the U.S. and its allies to be in a position to blockade Chinese ports, thereby neutralizing the Chinese fleet and crippling the Chinese economy."

<https://www.defenceviewpoints.co.uk/articles-and-analysis/checkmate-chinas-containment-of-u-s-containment-policy>

Chinese leaders are obsessed with neutralizing this threat. Beijing has expended China's financial resources to build up a military presence in the South China Sea; justifying its actions with its "Nine-Dash-Line" map by which it historically claims the Paracels, the Spratlys, and nearly all of the South China Sea.

According to *Calculated ambiguity in the South China Sea, Asia Times, December 8, 2009*, "In 1947, the nationalist Chinese government put forward claims to the South China Sea in a map containing 11 dotted lines. This map was adopted by the Chinese communists when they took power and later premier Chou Enlai deleted two lines in the Gulf of Tonkin to make the 11 dots

into nine. Unofficial maps containing the nine dotted lines have long been in circulation. Regional officials have been unable to get China to indicate how the lines would be connected and how much of the area China is claiming..."

*Analysis: China's nine-dashed line in South China Sea, Reuters, May 25, 2012, reported: "In a March, 2008 cable, the [U.S] embassy [in Beijing] reported that a senior Chinese diplomat, Zheng Zhenhua, had handed over a written statement when asked about the scope of this boundary. 'The dotted line of the South China Sea indicates the sovereignty of China over the islands in the South China Sea since ancient times and demonstrates the long-standing claims and jurisdiction practice over the waters of the South China Sea', the statement said, the embassy reported."*

It was six years later before Washington officially rejected Beijing's claims. On February 5, 2014, in testimony before the House Committee on Foreign Affairs, Assistant Secretary of State for East Asian and Pacific Affairs Danny Russel stated: "Under international law, maritime claims in the South China Sea must be derived from land features. Any use of the 'nine-dash line' by China to claim maritime rights not based on claimed land features would be inconsistent with international law."

The international law to which Mr. Russel referred is the United Nations Convention on the Law of the Sea, or UNCLOS. But the U.S. position is undermined by the fact Washington has refused to ratify that treaty.

Nor does the wording of the 1951 "Mutual Defense Treaty" between the U.S. and the Philippines lend itself to assisting Manila in her dispute with China over the Spratly Islands. "For the purpose of Article IV, an armed attack on either of the Parties is deemed to include an armed attack on the metropolitan territory of either of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific." Some of the Philippines' territorial claims in the South China Sea were made decades after the signing of that treaty and fall outside its scope.

There are bilateral "strategic and defense relationships" between the U.S. and Malaysia, Singapore, and Indonesia. But they do not clearly address the territorial claims of those states and China or what action Washington would take if hostilities broke out between any of them and China.

There is a British defense treaty with Malaysia, part of the "Five Powers Defence Arrangements" (FPDA) that includes Australia, New Zealand, and Singapore, as well as, Malaysia and the UK). But Dr Andrew Murrison, Parliamentary Under-Secretary of State for Defence, stated on November 4, 2013, "There is no specific commitment to intervene militarily."

There are no comparable "strategic and defence relationships" between the U.S. or the U.K. and Vietnam.

The 10 member Association of Southeast Asian Nations (ASEAN) cannot arbitrate the dispute because it is divided. ASEAN includes states with competing claims among themselves, as well as with China, to the Spratly Islands and states, Cambodia and Burma, considered allies of China. More importantly, ASEAN is not a mutual defense pact.

A legal resolution to the South China Sea dispute has been sought. On July 12, 2016, in a case brought before the Permanent Court of Arbitration in The Hague by The Philippines, the court ruled China's "Nine-Dash-Line" has no legal basis for "maritime rights and entitlements in the South China Sea". It limited its ruling to China's claim via the "Nine-Dash-Line" to the waters and natural resources of the South China Sea. The court added, as to the disputed islands, the Paracels and the Spratlys, "None of the Tribunal's decisions in this Award are dependent on a finding of sovereignty, nor should anything in this Award be understood to imply a view with respect to questions of land sovereignty."

China rejected the court's decision; stating it will not give up its claims to the Paracels and Spratlys or most of the waters of the South China Sea. A military response by the U.S. could be disastrous to the stability of the world's economy. There seems to be only two alternatives. Either economic sanctions are placed on China by the U.S. and the E.U. to persuade Beijing to accept the court's decision. Or the U.S. and the E.U. accepts China's military dominance of the South China Sea.