

Because there had been little substantive interaction between high officials of the two countries prior to Mischief Reef, these early contacts could be seen as little more than opportunities for each side to acquaint itself with the thinking and approaches of the other side. That a bilateral agreement outlining the "eight principles for a code of conduct" was signed as early as the second meeting may in fact have surpassed expectations of some. The eight principles did not address the immediate issue of Mischief Reef, but sought to lay down a framework with which both sides would try to manage the Spratlys dispute in the future. Therefore, for those who had unrealistically set as their goal an immediate Chinese withdrawal from Mischief Reef, the agreement certainly fell short of expectations.

In March 1996, China and the Philippines further agreed to establish a "bilateral consultative mechanism to explore ways of cooperation in the South China Sea". Specifically, three working groups were set up, to look into cooperation in fisheries, marine environment protection and confidence-building measures.

Since then, the Fisheries Cooperation Working Group has convened three times in: September 1996, May 1997, and October 1999 respectively; while the Marine Environment Working Group met in March and November of 1997. The CBM Working Group was not convened until March 1999 in Manila; a second meeting was held in Beijing in October 1999. To date, no significant agreements appear to have been concluded that directly address the problem of Chinese presence on Mischief Reef.

MILITARY DIPLOMACY AND CONFIDENCE BUILDING

In implementation of the 1995 agreement to undertake confidence-building, high-level exchanges between defence and military officials of the two sides were held. These included visits to Manila by the People's Liberation Army Vice Chief of General Staff Xiong Guangkai in May 1996, of PLA Chief Fu Quanyou in September 1996 and Defence Minister Chi Haotian in February 1997. On the other hand, visits to China were conducted by then Secretary of National Defence Renato de Villa in July 1996 and AFP Chief of Staff Arturo Enrile in October of the same year.

The visit of de Villa resulted in the signing of two agreements: the establishment of offices of defence and armed forces attaches in each other's capital, and on China's extension of a US \$3 million loan for engineering equipment assistance to the Philippines. The loan translated into a delivery of forty military dump trucks in May 1998.

Also unprecedented were port visits to Manila in March 1997 by naval vessels of China's East Fleet, following similar visits they had made to Malaysia and Thailand; and in May 1998 when they were invited to participate in the Centennial anniversary celebration of the Philippine Navy.²²

²² Cited in Baviera, "Security Challenges of the Philippine Archipelago", p. 221.