

China.¹⁹

THE BILATERAL CONFIDENCE BUILDING PROCESS

Pro-active Philippine diplomacy helped get the confidence-building process to a good start.

The first Philippines-China bilateral talks that focussed on the Spratlys disputes, specifically the Chinese occupation of Mischief Reef, were held in Beijing in March 1995. The meeting concluded with the two sides merely reiterating their positions claiming sovereignty over Mischief Reef and China arguing that the "fishing shelters" built on the reef represented no threat to the Philippines.

A second round in Manila in August 1995 produced a joint statement that specified agreement by the two sides to abide by certain principles in their behaviour regarding the disputes. The agreement said that the dispute shall not be allowed to affect the normal development of relations, and should be settled in a peaceful and friendly manner, through consultations and on the basis of equality and mutual respect. It also committed both sides to undertake confidence-building measures, and to pursue specific forms of cooperation until the disputes are eventually resolved. The joint statement also expressed a desire to cooperate for the protection and conservation of maritime resources, and stated that the dispute should be settled by countries directly concerned without prejudice to freedom of navigation in the South China Sea. Furthermore, Manila and Beijing agreed to settle the dispute in accordance with UNCLOS and recognized principles of international law.²⁰

A letter had also been sent by Jiang Zemin to President Ramos in 1995, expressing assurances that China would only pursue peaceful means in its territorial claims in the Spratlys. Ramos had publicly put forward a proposal for demilitarization of the South China Sea, as well as suggestions for joint development of the resources for the mutual benefit of littoral states. He also proposed that, until such an agreement was reached, each disputed island should be placed under the stewardship of the claimant-country closest to it geographically, on the understanding that "the steward-country accommodates the other claimants' needs for shelter, anchorage and other peaceful uses."²¹

¹⁹ One can speculate the following economic explanations regarding the trade increase: the import liberalization policy of the Ramos government, robust growth in Philippine exports stimulating demand for China-made raw materials, or the fact that trade in the Philippines is in the hands of a largely apolitical (vis-à-vis Spratlys dispute) private sector subject to only minimal state intervention.

²⁰ Aileen S.P. Baviera, "The Kalayaan Islands (Spratlys) in Philippine Foreign Policy", paper commissioned by Konrad Adenauer Foundation Manila office.

²¹ Speech by Secretary Jose T. Almonte, Presidential Security Adviser and Director-General, National Security Council, before the ASEAN Experts on Law of the Sea, 27 November 1997, Manila.