

Letters to the Editor

Oil and the Lack of It in the South China Sea

In the article by Ian Townsend-Gault, "Preventive Diplomacy and Pro-Activity in the South China Sea" (*Contemporary Southeast Asia* 20, No. 2, August 1998), a number of assertions are made, which we would like to respond to.

We and our work, *Sharing the Resources of the South China Sea* (Kluwer Law International, 1997), are included in Professor Townsend-Gault's broad-brush attack on "the inability of analysts to appreciate or deal with the full complexity of the topic" and of "cling[ing] doggedly to one view of the issue — their [our] own — and do[ing] their [our] best to dismiss or discount the views of others". Specifically, we are accused of "support[ing] the oil lobby" and of failing "to undertake a structured analysis".

We wonder if Townsend-Gault has read our book thoroughly. The title does not reveal the book's full contents. The book provides the regional political context of the problem and analyses the strengths and weaknesses of the South China Sea claims according to international law, as well as boundary delimitation issues and the political dimensions of the disputes. It then goes on to review various approaches to cooperation and/or resolution of the disputes, including allocation of maritime space, and underscores the danger of the *status quo*. It is precisely because the jurisdictional and sovereignty issues are intractable and the claimant's arguments are weak and stale, that we have proposed joint-management of *all* the "resources" beyond 200 nautical miles, including, specifically, the *environment*.

As regards the view that we support the “oil lobby”, we state on page 11 under “The Oil Factor”:

In any case, the disputes are not only about oil but are also about the strategic significance of the islands and the nationalism behind the sovereignty claims thereto. In this context, a solution would be primarily a confidence-building measure designed to promote demilitarization of the area with access to potential oil a secondary consideration. Furthermore, the claimants are countries, not oil companies. Countries must and do think long-term and multi-dimensionally, particularly when “territory” is involved. For example, resources other than petroleum may eventually be discovered and/or exploited, such as deep seabed minerals or the energy potential created by marked vertical temperature differences in the water column (Ocean Thermal Energy Conversion). It is thus doubtful that the claimants would dampen their interest in this area simply because the oil potential may be modest.

We commend Townsend-Gault and his colleagues for their efforts in co-ordinating the informal Workshop series on Managing Potential Conflicts in the South China Sea. We agree with Townsend-Gault that these meetings have the potential to promote confidence and trust and to contribute to the mitigation of the seemingly intractable dispute over sovereignty and jurisdiction. And we hope, as he does, that the Workshops will “pave the way for formal discussions”.

Thus far, however, these meetings have not led to any real multilateral co-operation or serious efforts to even discuss the central issues. And the participants have successfully resisted formalizing any part of the process. Worse, despite routinely avowing not to undertake any actions in the area that will destabilize the *status quo*, some of the claimants, particularly, but not exclusively, China continue to do so. Witness the recent China/Philippines flap over the Philippines’ arrest of Chinese fishermen near the Philippine-claimed Mischief Reef, and new Chinese construction activity on Mischief Reef.

And China, in particular, continues to use — and abuse — the process to delay and obfuscate the discussions. Confidence and trust, rather than being enhanced, have been eroded, if not lost altogether. And the process has certainly not “prevented” unilateral actions.

Townsend-Gault makes an eloquent appeal for co-operative work, particularly on protecting the environment. We share his concern with protecting the environment of the South China Sea, but also recognize that in the real world of international politics, protecting the environment of the Spratly area is simply not among the highest priorities of claimant countries, no matter how much any of us may wish it to be so. In the

scheme of national priorities, environmental protection is unfortunately subordinate to national pride, security, and control of resources.

We have been honoured to have been able to serve as resource persons at some of the South China Sea Workshops, and we stand ready and willing to assist the process in any way the organizers deem appropriate. Furthermore, we continue to hope that this process will be productive and successful. Thus, we are surprised and disappointed that Townsend-Gault reacted so negatively to the ideas we put forward in our book, and we hope that a closer reading will produce a more positive response.

MARK J. VALENCIA
and JON M. VAN DYKE

Response by Ian Townsend-Gault

I would like to make the following points in reply to Dr Valencia and Professor Van Dyke.

My reference to the dogged persistence with which some writers rehashed the “oil-rich Spratlys” theme was not intended to refer to the work of Valencia and Van Dyke, but rather to those writers who repeat and recycle what they have heard or read without bothering to check their facts. I have several writers in mind, but it would be invidious to mention one without mentioning all, so I referenced none. My article did not discuss the book by Valencia, Van Dyke and Ludwig, and I should perhaps have said in referring to it that the prospects for oil has been the point of departure employed by Valencia on the three occasions in the past few years when I have heard him address the proposed arrangement for the South China Sea in conferences or workshops. Allow me to take the opportunity to say that their work is to be welcomed as a sound, valuable and creative response to a difficult problem (although I have reservations about its basic political premise).

A very different but equally creative approach was mooted at the 1996 Conference organized by the International Boundaries Research Unit at the University of Durham. However, I am quite unrepentant in saying that too much has been said on the oil issue and by no means enough on other, arguably more pressing, matters. The supply of oil would have to be fabulous indeed to dislodge the proven importance of the South China Sea as a source of protein for the hundreds of millions of people in its coastal zone. That, and that alone, is the point I was trying to make in the early sections of the article.

As regards oil potential, our friends in the petroleum industry have a saying: "Oil is where you find it". Natural resources, or the rumour of natural resources can start, and have started, wars. The lure of El Dorado makes otherwise sane and rational people throw caution to the winds (witness Bre-X). In Canada, we went through four federal licensing regimes, several Supreme Court cases, much policy-making, and an appalling disaster (and consequent Royal Commission) before a drop of oil was produced offshore, despite glowing predictions on the extent of our resources (yet to be proven). The Japan-South Korea Joint Development Zone seems to have produced more academic papers and analysis than oil (and yet was once touted as an area of enormous hydrocarbon potential). It is an odd business, where myths are hard to dislodge.

I am a lawyer, and quite unfit to do other than repeat the views of geologists. I quoted one authoritative source regarding the lack of evidence — real evidence — for the existence of commercial accumulations of hydrocarbons in the Spratly area. I have heard geologists, including a senior functionary of the East-West Center (in Hawaii) itself — deny that resources could possibly exist in such quantities. Again, I should be sorry if this debate were to be allowed to obscure the existing problems in the South China Sea. The government of the Philippines is perfectly correct in pointing to the environmental damage committed each time one of the coastal states builds on a reef. I am prepared to be corrected on this point, but I am sure that no heed whatsoever has been paid to the environmental consequences of these rash actions.