

Peacemaker Malcolm Turnbull urges restraint by Beijing in South China Sea



Prime Minister Malcolm Turnbull and Lucy Turnbull at the Beijing Ancient Observatory.
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Prime Minister Malcolm Turnbull has again urged Beijing to show restraint in the South China Sea as the United States began a military build-up in The Philippines in anticipation of an imminent escalation of tensions.

In comments to reporters in Beijing on Friday and during a private meeting with Chinese President Xi Jinping on Friday evening, Mr Turnbull stressed there could be no regional prosperity without peace and stability.

Unperturbed by threats issued through state-owned media that Australia had to choose between its economic relationship with China and its security alliance with the US, Mr Turnbull said, "Our position is very, very consistent and very well understood.

"The remarkable economic gains in this region, by every country, has been based on a foundation of peace and stability and anything which has the potential of disturbing that peace and stability, works against the interests of all nations.

"And not just in our region because this part of the world is the engine room for economic growth for the whole world."

He reiterated all claimants must resolve their disagreements peacefully and in accordance with international law.

Vanguard of a major deployment

As Mr Turnbull spoke on Friday, the US was moving war planes to The Philippines in what the Wall Street Journal said was "the vanguard of a major deployment to the Southeast Asian country as Washington and its allies mount a coordinated response to Beijing's assertiveness in the South China Sea".

US Defence Secretary Ash Carter pointedly cancelled his own trip to Beijing this week to protest China's ongoing land dispute. Mr Carter said China's actions were "causing anxiety and raising regional tensions", while the US deployment was designed to calm tensions and did not aim to provoke a showdown with Beijing.

Tensions over China's land grab in the international waterway are rising fast ahead of the release of a report by an international tribunal that was convened following a complaint against

China by The Philippines.

China has already refused to recognise the tribunal or abide by its findings but it is accepted in the region that the release of the findings will mark a point at which events will escalate.

Mr Turnbull also raised the issue during broad-ranging talks in Beijing on Thursday night with Chinese Premier Li Keqiang.

Mr Turnbull is the first prime minister to visit since the China-Australia Free Trade Agreement came into force.

Asked if he was concerned about the rhetoric from Beijing, Mr Turnbull was calm.

"My engagement with Chinese leaders, which has been quite extensive since I've become Prime Minister, reassures me that China understands our position, they understand our commitment to a peaceful and stable region and that is why we continue, as I said, to urge all claimants to settle any territorial disputes peacefully and in accordance with international law."

Mr Turnbull also disclosed that he and Premier Li discussed China's overproduction of steel and its flooding of the world with cheap steel.

Mr Turnbull said Mr Li told him China was trying to reduce its steel production by 150 million tonnes a year.

This, Mr Turnbull said, "is an enormous amount" and "you can imagine the complications and the problems that gives rise to in terms of hundreds of thousands of workers involved in that industry". "The issue of excess supply obviously has implications for other countries and as we have seen with Whyalla where the jobs of the workers at the Arrium Plant are very much in our mind."

The issue is a difficult one for Mr Turnbull because Australia provides the iron ore for almost two thirds of Chinese steel production.