Viewing cable 07BEIJING7105, S/P GORDON BILAT WITH VFM WANG YI: IRAN, BURMA,

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Classified By: Political Minister-Counselor Aubrey
Carlson. Reasons 1.4 (b) and (d).

Summary

¶1. (C) Chinese Vice Foreign Minister Wang Yi, speaking with Policy Planning Director David Gordon November 13, stressed the need for the United States and China to continue their policy planning dialogue on long-term strategic issues. S/P Director Gordon emphasized to VFM Wang that the United States and China have a mutual interest in preventing Iran from acquiring a nuclear capability and that economic and financial pressure is necessary to ensure that international Iran-related efforts succeed. VFM Wang responded that China believes the Iran issue should be solved through peaceful dialogue, citing the Six-Party Talks as a "useful reference" for dealing with Iran. Regarding Burma, VFM Wang said the unrest there is an internal affair that does not influence regional stability or security. Therefore, it is up to the various parties in Burma to resolve their differences. Gordon explained current U.S. thinking regarding a future Northeast Asian security mechanism and the need to reinvigorate APEC. Future cooperation mechanisms in East Asia must be open and transparent, VFM Wang

emphasized, and members "should not close themselves off" from others. Financial cooperation among East Asian countries remains in a preliminary stage, VFM Wang observed, saying the IMF and World Bank should do more to understand the "unique features" of the East Asian region. VFM Wang agreed with Director Gordon's assertion that the United States and China should cooperate more closely on African development issues and energy security. End summary.

U.S.-China Policy Planning Dialogue Useful

¶2. (C) Policy Planning Director (S/P) David Gordon, accompanied by the Charge, met November 13 with Chinese Vice Foreign Minister Wang Yi. VFM Wang reviewed the history of the bilateral policy planning dialogue, which VFM Wang initiated in 1999 when he was head of the MFA's Policy Planning Department. At that time, VFM Wang observed, there was debate within the international community over whether China wished to "chase" the United States out of East Asia. VFM Wang recalled how he told his American counterparts in 1999 that China had neither the ability nor the intention to do such a thing. The United States continues to have major influence and traditional interests in East Asia, which China respects. The United States, VFM Wang recalled saying in the first dialogue, should likewise show respect for China's legitimate concerns and rights in East Asia. Policy planning consultations are useful for avoiding strategic misunderstandings, VFM Wang remarked, and the United States and China now enjoy better trust, cooperation and, in some cases, even policy coordination.

Iran

¶3. (C) Director Gordon stressed to VFM Wang the urgency of preventing Iran from acquiring a nuclear capability. The United States believes constructive diplomatic engagement should be accompanied by economic and financial pressures on the Iranian regime. The primary forum for international efforts should be the United Nations Security Council, but additional financial pressures are necessary. The international community, Gordon warned, is not yet on a trajectory that will successfully prevent Iran from developing nuclear weapons. The United States and China both have a stake in insuring that Iran cannot destabilize the Middle East and undermine world nonproliferation efforts, Gordon said.

¶4. (C) VFM Wang noted the "numerous bilateral exchanges" on Iran and reiterated China's position: China is opposed to Iran becoming a nuclear weapons state, but the issue must be solved by peaceful means. Dialogue is the only "good way" to resolve such a complicated issue, VFM Wang said. Iran has stated

that it has no intention of becoming a nuclear weapons state, and this assurance provides a basis, "albeit fragile," for talks. All parties should move toward a peaceful settlement through dialogue and should make sure that no war breaks out in the Middle East. While

acknowledging that differences between the Iran and North Korea nuclear issues exist, VFM Wang said the United States could consider using the Six-Party Talks as a "useful reference" for dealing with Iran.

Burma

¶5. (C) Director Gordon said an "historic opportunity" exists to achieve political reconciliation in Burma. Aung San Su Kyi and the military regime are both showing some flexibility. The unity of the international community, Gordon emphasized, is crucial if we hope to make a difference in the behavior of the Burmese regime. VFM Wang acknowledged that events in Burma were a problem, but described the unrest in Burma as an "internal affair" that does not impact regional stability. Ultimately, VFM Wang said, it is up to the parties in Burma to reach a solution. China welcomes the role played by the international community so long as those efforts are consistent with encouraging a Burmese solution.

Future East Asia Cooperation Mechanisms

¶6. (C) The United States is a "global superpower," VFM Wang observed, but China remains focused on East Asia. The development of regional cooperation mechanisms is an important agenda item for upcoming policy planning consultations, VFM Wang said. VFM Wang asked Director Gordon to describe current U.S. thinking about the development of multilateral institutions in East Asia, including potentially joining the East Asia Summit. Gordon noted that East Asia is a dynamic and diverse region that will continue to require an equally diverse set of multilateral structures. The United States would like to see a deepening of APEC's role on economic and trade issues. The United States hopes to see a reinvigoration of APEC and has suggested the "ambitious goal" of reaching consensus on the establishment of a Free Trade Area of the Asia-Pacific (FTAAP). On the security side, the United States would like to build upon the trust and confidence created by the Six-Party Talks to establish a Northeast Asia peace and security mechanism. The process of establishing such a mechanism, however, will depend on the pace of denuclearization on the Korean Peninsula. A Northeast Asia mechanism should be built "behind the denuclearization process," Gordon

said.

¶7. (C) VFM Wang agreed that a "European model" does not suit East Asia's diversity. Sub-regional, regional and pan-regional mechanisms will continue to exist, VFM Wang said. The United States will participate in some regional mechanisms, such as the ASEAN Regional Forum (ARF), APEC and the Six-Party Talks, but not all organizations will require American involvement. All mechanisms, however, must be open and transparent, and members should not close themselves off from others, VFM Wang said. Gordon added that the challenge regional institutions face is how to balance consensus with effectiveness. In the case of the ARF, the United States has been disappointed by the failure of efforts to prod the organization to address nonproliferation and has concerns about the ARF's effectiveness.

Regional Financial Cooperation

¶8. (C) Director Gordon remarked that regional financial efforts should be consistent with the International Monetary Fund, which will remain the premier institution responsible for managing financial crises. The United States hopes international financial institutions will pay more heed to East Asian voices on governance and operational issues. VFM Wang observed that financial cooperation among East Asian countries has lagged far behind regional trade and investment ties. The Chiang Mai Initiative on financial cooperation is still at a very preliminary stage. The Chiang Mai Initiative, VFM Wang observed, promotes communication on financial matters rather than financial cooperation in a real sense. Agreeing with Gordon on the need to increase East Asia's voice in the international financial system, Wang said that the IMF, World Bank and other international financial institutions should better appreciate the "unique features" of the East Asia

region and "learn lessons from the past."

Party Congress, Commitment to Peaceful Development

¶9. (C) VFM Wang briefed Director Gordon on key points of General Secretary Hu Jintao's political report to the 17th Communist Party Congress. In the report, VFM Wang noted, Hu stated that China is committed to peaceful development and "rejects hegemony." Hu also stressed China's desire to develop mutually beneficial relations with other countries and regions in order that "China's development can help promote world development." No ruling party, VFM Wang asserted, has

ever made such a strong commitment to peaceful development.

Africa

¶10. (C) Director Gordon stated that the United States and China should cooperate more closely on development assistance programs and conflict resolution in Africa. VFM Wang described China's Africa policy as "transparent." China has no ulterior political or strategic motives in Africa, VFM Wang asserted, and China's current engagement is a continuation of a "historical trend" in Chinese diplomacy. When China encountered difficulties in the past, African countries offered their support in international institutions. Now, VFM Wang said, it is only natural that China assist African countries to develop now that "we have some ability" to help.

Energy Security

¶11. (C) Turning to the issue of energy security, Director Gordon said that, in addition to cooperating to enhance stability in resource-rich regions, the United States and China can also engage in more technological cooperation. Gordon explained that the United States policy on global warming is to move away from a "restrictive approach" to one that reconciles environmental with economic needs. The United States also wants to promote a technological revolution in the energy sector. VFM Wang agreed, noting that, as two of the largest energy consumers in the world, the United States and China need to enhance cooperation. The two sides are facing similar challenges with regard to global warming and should improve their environmental dialogue, VFM Wang said.

¶12. (U) S/P staff cleared this message.
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