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Valentine Dugle
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Subject: (EXDIS) BEIJING/290943Z/ U/S PICKERING'S OCTOBER 28 LUNCH WITH CHINESE VFM
YANG JIECHI: INTERNATIONAL ISSUES AND MORE ON TAIWAN (C)

DECAPTIONED

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TIMESTAMP: 9910290745
SUBJECT: U/S PICKERING'S OCTOBER 28 LUNCH WITH CHINESE VFM YANG JIECHI: INTERNATIONAL ISSUES
TAIWAN
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TO: RUEHC/SECSTATE WASHDC IMMEDIATE 8188
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SUBJECT: U/S PICKERING'S OCTOBER 28 LUNCH WITH CHINESE VFM
YANG JIECHI: INTERNATIONAL ISSUES AND MORE ON TAIWAN
(U) CLASSIFIED BY CHARGE D'AFFAIRES, A.I., WILLIAM C.
MCCAILL, JR. REASONS: 1.5 (B/D).

Classification Extended on : 07/07/2016 ~ Class: CONFIDENTIAL ~ Authority:
DSCG 11-1 ~ Declassify on: 10/28/2039

SUMMARY

1. (C) DURING AN OCTOBER 28 LUNCHEON, U/S PICKERING AND VFM
YANG JIECHI EXCHANGED VIEWS ON RUSSIA, THE KOREAN

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PENINSULA, SOUTH ASIA, INDONESIA AND EAST TIMOR, AND KOSOVO.

[Redacted]

U/S

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PICKERING BRIEFED HIS COUNTERPART ON THE PERRY PROCESS AND THE STATUS OF PLANNING FOR A HIGH-LEVEL VISIT TO WASHINGTON FROM PYONGYANG.

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YANG SHARED U/S PICKERING'S OPTIMISM REGARDING THE NEW INDONESIAN GOVERNMENT BUT OPPOSED SENDING AN INTERNATIONAL TEAM TO INVESTIGATE HUMAN RIGHTS PROBLEMS IN EAST TIMOR. YANG ALSO REITERATED CHINA'S FAMILIAR POSITION THAT ANY SETTLEMENT OF THE KOSOVO ISSUE SHOULD BE BASED ON RESPECT FOR THE SOVEREIGNTY AND TERRITORIAL INTEGRITY OF YUGOSLAVIA AND FOR THE LEGITIMATE RIGHTS OF ALL ETHNIC GROUPS IN THE REGION.

[Redacted]

END SUMMARY.

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RUSSIA

SINO-RUSSIAN TRADE RELATIONS, ENERGY CORRIDOR

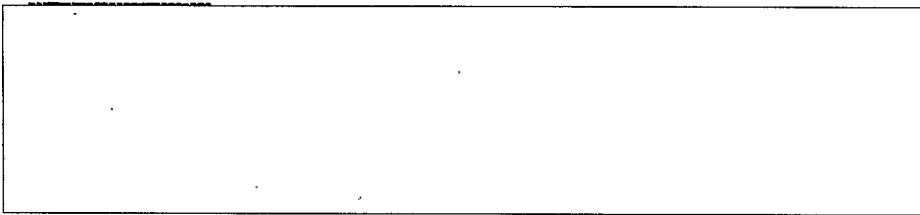
2. (C) CHINA'S RELATIONS WITH RUSSIA WERE DEVELOPING STABLY, ACCORDING TO VFM YANG. HE EXPRESSED DISAPPOINTMENT, HOWEVER, THAT ECONOMIC AND TRADE RELATIONS HAD LAGGED BEHIND POLITICAL RELATIONS. IT APPEARED UNLIKELY THAT THE VOLUME OF BILATERAL TRADE WOULD REACH USD 20 BILLION BY THE END OF THE CENTURY, AS HAD ONCE BEEN PROJECTED. STILL, ECONOMIC AND TRADE RELATIONS HAD MADE "GOOD PROGRESS," WITH DEVELOPMENT PROSPECTS BRIGHTEST IN THE ENERGY SECTOR. RUSSIA AND CHINA WERE COOPERATING ON A NUCLEAR ENERGY PROJECT IN CHINA'S JIANGSU PROVINCE, YANG NOTED. U/S PICKERING SAID THAT THERE WAS STRONG U.S. INTEREST IN POSSIBLE PARTICIPATION IN CONSTRUCTION OF AN ENERGY CORRIDOR BETWEEN RUSSIA AND CHINA. HE ALSO MENTIONED INTEREST IN THE PROJECT BY MONGOLIA (WHERE HE HAD JUST VISITED), WHICH COULD BENEFIT BOTH AS A COLLECTOR OF TRANSIT FEES AND AS A CONSUMER.

RUSSIAN INTERNAL POLITICS

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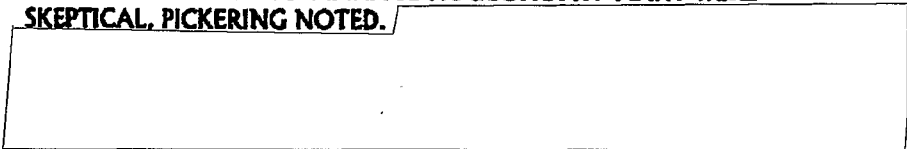
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4. (C) AS FOR THE OVERALL SITUATION, PICKERING NOTED THAT THE POLITICAL SITUATION IN RUSSIA WAS IMPORTANT TO BOTH THE UNITED STATES AND CHINA. THERE WERE VARIOUS REPORTS ABOUT THE HEALTH OF PRESIDENT YELTSIN, BUT THE PRESIDENT HAD "LOOKED GOOD" IN A TELEVISION APPEARANCE THAT MORNING, OCTOBER 28. PICKERING HOPED THAT YELTSIN WOULD BE ABLE TO ~~TRAVEL TO BEIJING LATER THIS YEAR, AS PLANNED.~~ PICKERING EXPECTED THE DUMA ELECTIONS TO BE HELD NOVEMBER 19 TO SERVE AS AN INDICATION OF WHERE RUSSIA WAS HEADING IN THE RUN-UP TO THE PRESIDENTIAL ELECTION IN 2000. TURNING TO DEVELOPMENTS IN CHECHNYA, ~~PICKERING SAID THAT RUSSIA'S MILITARY CAMPAIGN THERE WAS WORRYING~~ AND THAT IT WOULD PLAY A ROLE IN DETERMINING RUSSIA'S FUTURE. FOR EXAMPLE, PRIME MINISTER PUTIN HAD GAINED MUCH PUBLIC SUPPORT FOR HIS HARD-LINE ACTIONS AND RHETORIC AGAINST OPPOSITION FORCES IN CHECHNYA. IN THE END, HOWEVER, PICKERING PREDICTED THAT PUTIN WOULD BE UNABLE TO DELIVER MUCH ON CHECHNYA AND WOULD THEREFORE NOT BE IN A PARTICULARLY STRONG POSITION FOR THE PRESIDENTIAL ELECTION.

Why is it changed to why is it important to be useful to case about this - even if it is wrong & correct prediction?

RUSSIAN ECONOMY

5. (C) PICKERING AND YANG AGREED THAT, DESPITE DIFFICULTIES, THE RUSSIAN ECONOMY HAD SURVIVED THE ASIAN FINANCIAL CRISIS. RUSSIA HAD BEEN ABLE TO MAINTAIN THE STABILITY OF ITS EXCHANGE RATE, PICKERING POINTED OUT. THE COUNTRY HAD ALSO BENEFITED FROM THE INCREASE IN PETROLEUM PRICES, WHICH HAD ALLOWED IT TO BUILD UP ITS FOREIGN EXCHANGE RESERVES AND INCREASE ITS REVENUES. THE QUESTION NOW WAS WHETHER, IN THE WAKE OF THE ASIAN FINANCIAL CRISIS, RUSSIA WOULD BE ABLE TO MAKE THE TOUGH DECISIONS IT NEEDED TO MAKE, E.G., TO ADDRESS THE IMPACT OF CORRUPTION ON THE COUNTRY'S ABILITY TO MANAGE ITS ECONOMY. MANY WERE SKEPTICAL. PICKERING NOTED.



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U.S.-RUSSIAN DIALOGUE: ABM, START III

6. (C) ON THE BILATERAL FRONT, PICKERING STATED THAT THE UNITED STATES CONTINUED TO DISCUSS WITH RUSSIA THE POSSIBLE AMENDMENT OF THE ANTI-BALLISTIC MISSILE (ABM) TREATY, AS WELL AS PROGRESS ON START III. YANG MADE NO REPLY.

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11. (C) THE UNITED STATES' OWN STUDIES HAD ALSO LED WASHINGTON TO THE CONCLUSION THAT PRESSURE ALONE COULD NOT SOLVE THE PROBLEM, PICKERING ACKNOWLEDGED. THERE ALSO HAD TO BE A PERSUASIVE ELEMENT THAT WOULD LEAD THE DPRK TO MOVE IN A POSITIVE DIRECTION. THAT SAID, NORTH KOREA REMAINED ONE OF THE MOST THREATENING REGIMES IN THE REGION AND THE WORLD. IF THE UNITED STATES AND CHINA FAILED TO DEAL WITH THE SITUATION PROPERLY, GREATER PROBLEMS WERE BOUND TO ERUPT.

PERRY REPORT

12. (C) REDUCING TENSION ON THE KOREAN PENINSULA WAS IN THE INTEREST OF BOTH THE UNITED STATES AND CHINA, PICKERING STRESSED. AS BEIJING WAS AWARE FROM THE BRIEFING THAT DEPARTMENT COUNSELOR WENDY SHERMAN HAD PROVIDED TO CHARGE LIU XIAOMING IN WASHINGTON, THE RECENTLY RELEASED PERRY REPORT RECOMMENDED THAT U.S. POLICY TOWARD NORTH KOREA SHOULD BECOME MORE COMPREHENSIVE AND INTEGRATED. THE UNITED STATES SHOULD ALSO NORMALIZE RELATIONS WITH THE DPRK AT A MARKEDLY FASTER RATE AS THE NORTH TOOK STEPS TO ADDRESS U.S. CONCERNS ABOUT ITS NUCLEAR AND MISSILE PROGRAMS. IN THE NEAR TERM, NORTH KOREA HAD AGREED TO A MISSILE TEST MORATORIUM WHILE U.S.-DPRK DISCUSSIONS TO IMPROVE RELATIONS CONTINUED. FOR ITS PART, THE UNITED STATES HAD TAKEN THE STEP - WHICH WAS REVERSIBLE - OF EASING SANCTIONS.

13. (C) THE UNITED STATES HOPED THAT THE DPRK WOULD WORK WITH IT TO REDUCE TENSIONS ON THE PENINSULA, PICKERING CONTINUED. WASHINGTON MUST BE PREPARED TO PURSUE OTHER OPTIONS, HOWEVER, IF THE NORTH WOULD NOT COOPERATE. THE UNITED STATES WOULD CONTINUE TO CARRY OUT THE AGREED FRAMEWORK EVEN AS IT SOUGHT VERIFIABLE ASSURANCES FROM THE NORTH THAT IT WAS NOT PURSUING A NUCLEAR WEAPONS PROGRAM. WASHINGTON'S EFFORTS TO BRING ABOUT A FUNDAMENTAL CHANGE IN U.S.-DPRK RELATIONS HAD THE FULL SUPPORT OF THE CLINTON ADMINISTRATION AND THE GOVERNMENTS OF BOTH THE ROK AND JAPAN, PICKERING NOTED. THE UNITED STATES WOULD CONTINUE TO CONSULT WITH CHINA AS THE PERRY PROCESS UNFOLDED AND APPRECIATED CHINA'S CONTINUING EFFORTS TO COUNSEL PYONGYANG TO EXERCISE RESTRAINT.

HIGH-LEVEL DPRK VISIT TO WASHINGTON

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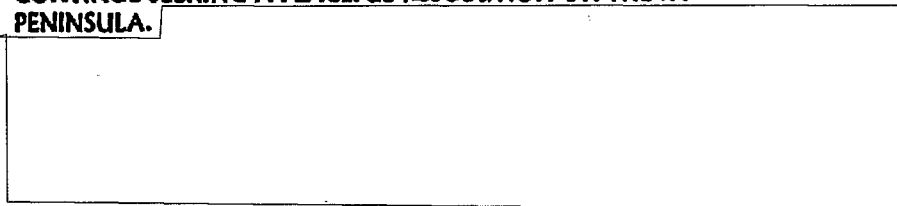
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14. (C) IN THE WAKE OF THE BERLIN TALKS, PICKERING TOLD YANG, THE UNITED STATES EXPECTED PYONGYANG TO SEND A HIGH-LEVEL VISITOR TO WASHINGTON BEFORE THE END OF THE YEAR TO RECIPROCATATE THE MAY TRIP TO PYONGYANG BY DR. PERRY AND AMBASSADOR SHERMAN. ALTHOUGH WASHINGTON HAD HOPED FOR SUCH A VISIT TO OCCUR BEFORE THE END OF OCTOBER, WE WERE NOT DISCOURAGED BY THE DELAY. ON THE CONTRARY, THERE WERE INDICATIONS THAT THE DELAY WAS DUE, IN PART, TO DPRK DELIBERATIONS ON WHO TO SEND TO WASHINGTON. IF THAT WERE TRUE, THE DELAY REFLECTED FAVORABLY ON THE SERIOUSNESS WITH WHICH THE DPRK WAS TAKING THE PROCESS. IN ANY CASE, WASHINGTON WAS ENCOURAGED BY PYONGYANG'S DECISION TO SEND A HIGH-LEVEL ENVOY. IN FACT, NORTH KOREAN VICE FOREIGN MINISTER KIM GYEGWAN AND SPECIAL ENVOY CHARLES KARTMAN WERE DUE TO BEGIN MEETING ON NOVEMBER 15 TO DISCUSS PREPARATIONS FOR THE VISIT. PICKERING NOTED THAT HE WANTED TO SHARE NEWS OF THE KARTMAN-KIM MEETING WITH HIS CHINESE COUNTERPART, EVEN THOUGH THAT INFORMATION HAD NOT BEEN MADE PUBLIC. RESPONDING TO A QUESTION FROM NING, PICKERING CONFIRMED THAT THERE HAD BEEN NO DECISIONS MADE YET REGARDING THE TIMING AND LEVEL OF THE EXPECTED VISIT. WASHINGTON CONTINUED TO AWAIT A RESPONSE ON THESE POINTS FROM PYONGYANG.

FOUR-PARTY TALKS

15. (C) U/S PICKERING EXPRESSED HOPE THAT THE SEVENTH ROUND OF THE FOUR-PARTY TALKS WOULD TAKE PLACE BEFORE THE END OF THE YEAR. HE ANTICIPATED THAT THE IMPROVED ATMOSPHERE IN U.S.-DPRK RELATIONS WOULD REINFORCE AND STRENGTHEN THE FOUR-PARTY PROCESS. COMMENTING ON THE LAST ROUND OF TALKS, PICKERING WAS CONFIDENT THAT THE DRAFT TREATY TABLED BY CHINA THEN WOULD SERVE AS A USEFUL BASIS FOR FUTURE DISCUSSIONS. THE UNITED STATES APPRECIATED THE DEPTH AND STRENGTH OF CHINA'S PARTICIPATION IN THE FOUR-PARTY PROCESS, DESPITE THE FACT THAT PROGRESS IN THE FOUR-PARTY TALKS LAGGED BEHIND THE BILATERAL U.S.-DPRK DIALOGUE. WASHINGTON COUNTED ON CHINA'S COMMITMENT AND WILLINGNESS TO CONTINUE SEEKING A PEACEFUL RESOLUTION ON THE KOREAN PENINSULA.



16. (C) THE ROK HAD PROPOSED WORKING-LEVEL TALKS IN NOVEMBER AHEAD OF THE SEVENTH ROUND OF THE FOUR-PARTY TALKS, NING SAID. IF THE OTHER THREE PARTIES SUPPORTED THIS IDEA, CHINA HAD NO OBJECTIONS. NING SUGGESTED THAT THE WORKING-LEVEL TALKS COULD BE USED TO SET A DATE FOR THE

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FORMAL SEVENTH ROUND OF TALKS.

SOUTH ASIA

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PICKERING POINTED OUT THAT TWO NEW GOVERNMENTS HAD ARRIVED IN POWER IN THE REGION IN DIFFERENT CIRCUMSTANCES, THE MILITARY GOVERNMENT OF MUSHARRAF THROUGH AN UNFORTUNATE TAKEOVER, AND THE VAJPAYEE COALITION THROUGH A COMMENDABLE DEMOCRATIC PROCESS. THE U.S. HAD WORKED OUT DIFFERENT APPROACHES, GIVEN THE REALITIES OF THE TWO COUNTRIES. THE U.S. WANTED FUNDAMENTALLY TO IMPROVE RELATIONS WITH INDIA, BUILDING ON PAST EFFORTS WITH THE VAJPAYEE GOVERNMENT. VAJPAYEE AND HIS CABINET HAD SAID ENCOURAGING THINGS ABOUT THEIR DESIRE FOR ECONOMIC REFORM, CTBT SIGNING, AND DIALOGUE. MUCH WOULD DEPEND ON HOW WELL THE INDIANS FOLLOWED THROUGH, INCLUDING WITH CONCRETE PROGRESS ON THE NONPROLIFERATION BENCHMARKS AND REDUCING TENSIONS, AS WELL AS WITH RESPECT TO INDIAN WILLINGNESS TO CONTINUE THE DIALOGUE STARTED AT LAHORE.

THE NUCLEAR ISSUE

18. (C) THE SENATE VOTE ON CTBT HAD COMPLICATED OUR EFFORTS TO PERSUADE INDIA AND PAKISTAN TO SIGN THE TREATY, PICKERING NOTED, BUT WE WOULD CONTINUE TO ENCOURAGE PROGRESS ON PROLIFERATION BENCHMARKS. WE WANTED TO STEER INDIA AWAY FROM ITS DRAFT "NUCLEAR DOCTRINE" AND TOWARD NUCLEAR AND MISSILE RESTRAINT. INDIAN CONFIDENCE IN CHINA'S INTENTIONS WOULD BE VERY IMPORTANT, AND WE WERE GLAD TO SEE CHINA MOVING TO BUILD A SECURITY DIALOGUE WITH INDIA. THE U.S. ALSO WANTED TO INFLUENCE PAKISTAN'S MILITARY AWAY FROM DANGEROUS CONFRONTATION AND WE HOPED CHINA WOULD JOIN US IN INFLUENCING PAKISTAN TOWARD THE SAME GOAL. WE ESPECIALLY HOPED CHINA WOULD SUPPORT A MULTILATERAL FISSILE MATERIAL PRODUCTION MORATORIUM. THE IMPROVEMENT OF U.S. RELATIONS WITH INDIA WOULD NOT BE AT THE EXPENSE OF CHINA OR PAKISTAN, PICKERING STRESSED, ADDING THAT THE U.S. WELCOMED CHINA'S VIEWS.

THE PAKISTAN MILITARY TAKEOVER

19. (C) ~~THE U.S. COULD NOT CONDONE THE MILITARY TAKEOVER AND SETBACK TO DEMOCRACY IN PAKISTAN, PICKERING STATED.~~ HOWEVER, WE WERE NOT BLIND TO THE PROBLEMS OF PAKISTAN'S DEMOCRATIC GOVERNMENT, NOR TO THE PUBLIC'S RELIEF OVER THE MILITARY TAKEOVER. WE WERE URGING MUSHARRAF TO SET A TIMETABLE OR A SERIES OF CONCRETE STEPS TO RETURN TO CIVILIAN GOVERNMENT, BUT WOULD NOT CALL FOR A RESTORATION

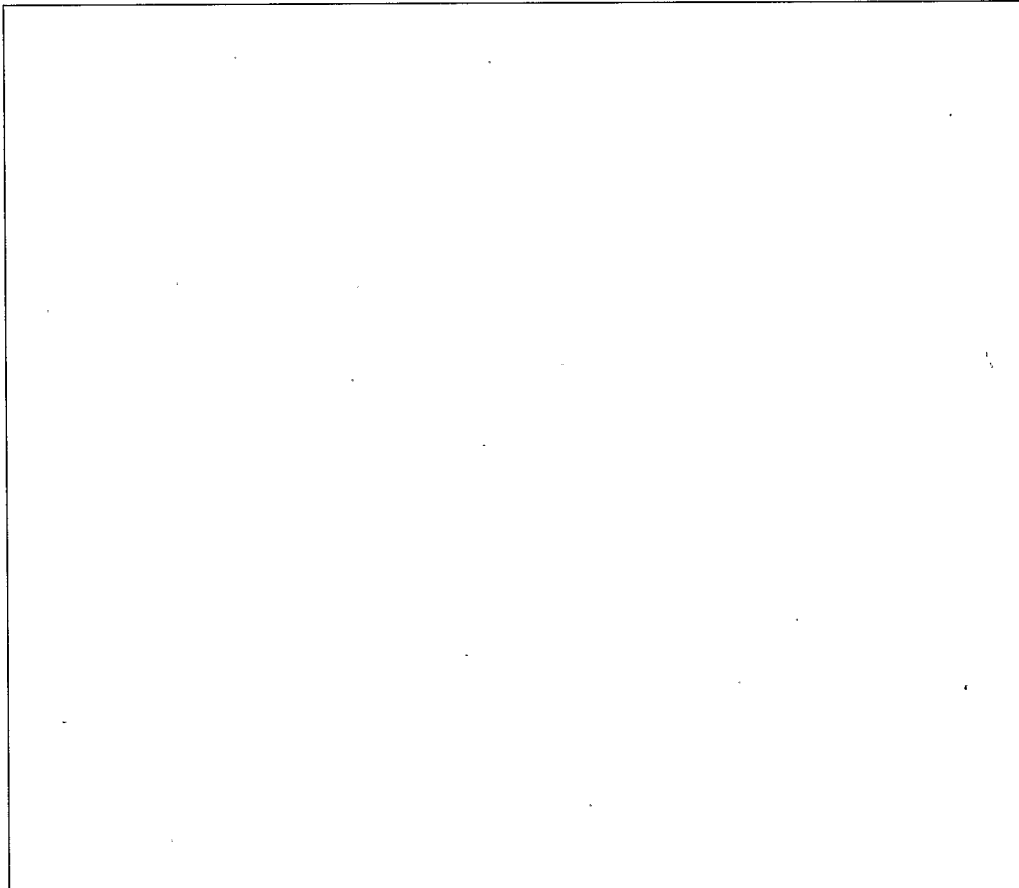
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OF NAWAZ SHARIF. THE CERTAINTY OF RETURN TO DEMOCRATIC GOVERNMENT WAS MORE IMPORTANT THAN HOW SOON. THE U.S. HOPED CHINA ALSO WOULD ENCOURAGE PAKISTAN TO RETURN TO DEMOCRATIC GOVERNMENT.

20. (C) THE U.S. WAS PREPARED TO WORK WITH THE GOVERNMENT IN PAKISTAN, PICKERING SAID, BUT WE HAD SIGNALLED THAT IT WOULD NOT BE BUSINESS AS USUAL. WHAT MUSHARRAF HAD SAID ABOUT DEMOCRACY, ECONOMIC RESTRUCTURING, NONPROLIFERATION, AND RELATIONS WITH INDIA WAS ENCOURAGING, BUT WE HAD TOLD HIM THAT ACTIONS WOULD SPEAK MUCH LOUDER THAN WORDS. THE U.S. WOULD PUSH INDIA TO RESUME DIALOGUE WITH PAKISTAN, DESPITE THE MILITARY TAKEOVER. INDIA HAD SOME CONCERNS WITH MUSHARRAF AFTER KARGIL, BUT WE HAD SAID THAT THE REDUCTION OF REGIONAL TENSION WAS TOO IMPORTANT TO IGNORE OR TO WAIT FOR AN ELECTED GOVERNMENT. THE U.S. WOULD CONTINUE TO PUSH PAKISTAN TO DO ALL IT COULD TO REBUILD TRUST. THE SITUATION WAS COMPLICATED AND DIFFICULT, AND CLOSER TO CHINA THAN TO THE U.S. PICKERING HOPED THE U.S. AND CHINA COULD CONTINUE TO BE IN TOUCH ON THE SITUATION.



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SANCTIONS AND ECONOMIC ASSISTANCE

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23. (C) PICKERING SAID THAT LEGISLATIVE SANCTIONS PREVIOUSLY IMPOSED ON INDIA WOULD CONTINUE AND THAT THOSE WAIVED SHOULD ALSO CONTINUE TO BE WAIVED. WAIVERS FOR PAKISTAN WERE LIMITED TO CERTAIN SANCTIONS ON BANKING AND AGRICULTURAL SALES. WHILE NO DECISION HAD BEEN MADE ON IMF AND IDRB LENDING, IN THE PAST WE HAD TAKEN STEPS TO AVOID CATASTROPHIC DISRUPTION TO THE PAKISTAN ECONOMY AS LONG AS PAKISTAN MET THE APPROPRIATE CONDITIONS AND IMF STANDARDS, PICKERING NOTED.

INDONESIA

24. (C) YANG NOTED THAT CHINA HAD CONGRATULATED THE NEW INDONESIAN GOVERNMENT, WHICH HAD ALSO INDICATED THAT IT ATTACHED IMPORTANCE TO RELATIONS WITH CHINA. THE CHINESE HOPED TO CONTINUE DEVELOPING MUTUALLY BENEFICIAL COOPERATION AND FRIENDSHIP WITH INDONESIA. INDONESIA PLAYED A LEADING ROLE IN ASEAN, YANG OBSERVED; THE DEVELOPMENT OF SINO-INDONESIAN RELATIONS SERVED ALSO TO PROMOTE THE DEVELOPMENT OF CHINA'S RELATIONS WITH ASEAN.

INDONESIA AND EAST TIMOR

25. (C) THE U.S. ALSO HAD WELCOMED INDONESIA'S NEW GOVERNMENT, PICKERING SAID; WE WERE OPTIMISTIC ABOUT THE SITUATION AS THE GOVERNMENT HAD MADE BALANCED CHOICES FOR THE NEW CABINET. TURNING TO EAST TIMOR, PICKERING NOTED THAT THE U.S. AND CHINA HAD COOPERATED CLOSELY IN THE UN REGARDING THE ELECTION, THE INTERIM FORCE, AND THE TRANSITIONAL ADMINISTRATION OF THE UN. THE U.S. WAS COMMITTED TO THE SUCCESS OF THE EFFORT AND WOULD BE PROVIDING PERSONNEL TO THE UN OPERATION. THE U.S. ALSO SUPPORTED A HUMAN RIGHTS COMMISSION OF INQUIRY TO INVESTIGATE THE BLOODSHED AND CHAOS OF SEPTEMBER. THAT WOULD BE IMPORTANT TO RECONCILIATION IN EAST TIMOR AND FOR THE WORK OF THE UN IN THE FIELD. PICKERING NOTED THAT MARY ROBINSON, THE UN COMMISSIONER FOR HUMAN RIGHTS, HAD SAID THAT SHE WOULD BE COORDINATING WITH THE INDONESIAN NATIONAL HUMAN RIGHTS COMMISSION IN THIS EFFORT. THE U.S. HOPED THAT THE NEW INDONESIAN GOVERNMENT WOULD SUSTAIN REFORMS AND ECONOMIC CHANGE AND THAT IT WOULD DEAL IN A FAIR AND STRAIGHTFORWARD WAY WITH SEPARATISM. THERE WAS A GREAT DEAL IN COMMON BETWEEN U.S. AND CHINESE VIEWS ON INDONESIA, PICKERING OBSERVED.

KOSOVO

26. (C) PICKERING THEN TURNED TO THE LEGAL AND JURIDICAL RELATIONS OF KOSOVO TO THE FRY. THAT ISSUE WAS IMPORTANT

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BECAUSE FRY SOVEREIGNTY HAD TO BE SUBJECT TO THE NARROW LIMITATIONS OF UNSC RESOLUTION 1244. KOSOVO'S BORDERS WERE FIXED WITHIN THE FRY AS A DE JURE MATTER DURING THE PERIOD OF UN ADMINISTRATION, BUT THE UN ALSO WAS ALSO COMMITTED TO ADMINISTERING KOSOVO UNTIL THERE WAS A RESOLUTION OF ITS FINAL STATUS. THE FUTURE STATUS OF KOSOVO WAS EXPLICITLY LEFT OPEN, PENDING A FINAL SETTLEMENT. THE U.S. DID NOT SUPPORT INDEPENDENCE, BUT THAT OUTCOME WAS NOT DETERMINED BY RESOLUTION 1244. KOUCHNER'S ACTIONS WERE NOT DESIGNED TO AFFECT THE OUTCOME BUT TO ENSURE THE SUCCESS OF THE MISSION. SO, WE HAD SUPPORTED HIM EVEN WHEN HE HAD TO MAKE DIFFICULT DECISIONS. THE UN ADMINISTRATION IN KOSOVO COULD NOT SUCCEED IF THE EVER-INFLATING DINAR REMAINED AS THE CURRENCY, SO WE HAD SUPPORTED USE OF THE GERMAN MARK. SIMILARLY, THE KOSOVO PROTECTION CORPS WAS DESIGNED TO ENSURE THAT THE KLA DID NOT GO UNDERGROUND AND BECOME UNCONTROLLABLE. KFOR AND UNMIK WERE AWARE OF THE RISKS AND WERE WORKING TO BUILD A CORPS THAT WOULD BE MULTI-ETHNIC AND STAY STRICTLY WITHIN A CIVILIAN MISSION.

YANG RESPONDS ON INDONESIA AND KOSOVO

27. (C) THE U.S. CLEARLY UNDERSTOOD CHINESE POSITIONS ON KOSOVO AND INDONESIA, YANG SAID. CHINA DID NOT THINK IT APPROPRIATE TO SEND AN INTERNATIONAL TEAM TO INVESTIGATE HUMAN RIGHTS PROBLEMS IN EAST TIMOR. AMBASSADOR QIN HUASUN AND SEVERAL OTHER CHINESE REPRESENTATIVES HAD MADE THAT POINT CLEAR. REGARDING KOSOVO, CHINA ALWAYS EMPHASIZED THAT A SETTLEMENT SHOULD BE BASED ON RESPECT FOR THE TERRITORIAL INTEGRITY AND SOVEREIGNTY OF YUGOSLAVIA, AND ON THE BASIS OF GUARANTEEING THE LEGITIMATE RIGHTS OF EVERY ETHNIC GROUP IN THE REGION. CHINA'S POSITION WAS THAT ALL PARTIES SHOULD EARNESTLY IMPLEMENT RESOLUTION 1244. CHINA WAS READY TO EXCHANGE VIEWS ON THE ISSUES OF CONCERN TO EVERY SIDE IN NEW YORK, WASHINGTON, OR BEIJING.

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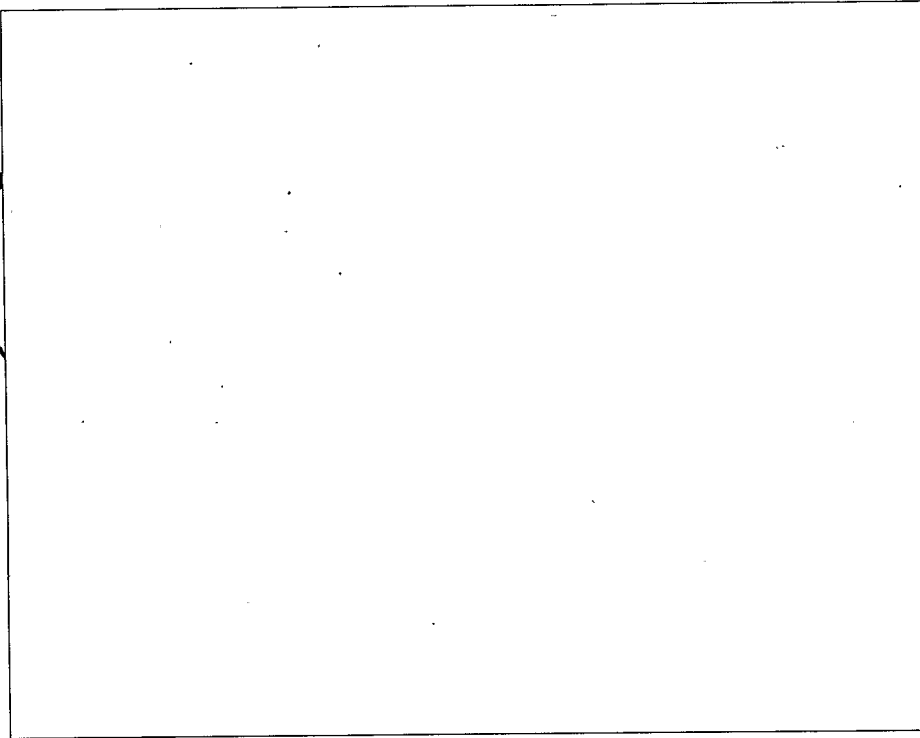
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30. (U) U/S PICKERING HAS CLEARED THIS MESSAGE.
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