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CONTROLS
CONFIDENTIAL NOFORN
SERIAL: DIADIN 158-20A

BODY
SUBJ: CHINA: RELATIONS WORSENING. (U)
DOI: 7 JUN 89 (AS OF 1906 EDT)

TEXT: 1. (CONF) RECENT EVENTS, AS A RESULT OF THE ENFORCEMENT
OF MARTIAL LAW IN BEIJING, COULD HAVE FAR-REACHING ADVERSE EFFECTS ON
SINO-US RELATIONS.

2. (CONF) A FOREIGN MINISTRY SPOKESMAN HAS STATED THAT
WASHINGTON'S DECISION TO SUSPEND ARM SALES TO CHINA IS A DETRIMENT
TO BILATERAL RELATIONS

IN ADDITION, PROBABLY IN RESPONSE TO
THE US ACTION, FOREIGN MINISTER QIAN QICHEN HAS REPORTEDLY CANCELED
HIS 12 THROUGH 14 JUNE TRIP TO WASHINGTON.

3. (CONF) THE US EMBASSY AND CONSULATES IN CHINA ARE RECEIVING AN
INCREASING NUMBER OF REQUESTS FOR POLITICAL ASYLUM FROM STUDENTS OR
OTHER POLITICAL DISSIDENTS. THE PRESENCE IN THE US EMBASSY OF FANG
LIZHI, WHO IS THE MOST CELEBRATED INDIVIDUAL IN CHINA'S DISSIDENT
MOVEMENT, IS OF PARTICULAR CONCERN. CHINESE SECURITY PREVENTED FANG
FROM ATTENDING A DINNER HOSTED BY THE US PRESIDENT LAST FEBRUARY.
THE INCIDENT NOT ONLY OVERSHADOWED OTHER EVENTS OF THE VISIT BUT
ALSO CREATED AN AWKWARD SITUATION FOR BOTH COUNTRIES.

4. (CONF) [b(1), 1.4 (c)]

ON THE 7TH, CHINESE TROOPS RANDOMLY FIRED AT THE DIPLOMATIC
RESIDENTIAL COMPOUND WHERE US PERSONNEL RESIDE.

5. (CONF) COMMENT: THE SUSPENSION OF US ARMS SALES TO BEIJING AND
REQUESTS BY POLITICAL DISSIDENTS FOR ASYLUM WILL PROBABLY STRAIN
BILATERAL RELATIONS. MOREOVER, THE FIRING IN THE DIRECTION OF THE
DIPLOMATIC COMPOUND AND THE RECENT US CONGRESSIONAL RESOLUTIONS URGING CHINESE RESTRAINT IN DEALING WITH THE PRO-DEMOCRACY STUDENT MOVEMENT WILL MOST LIKELY CONTRIBUTE TO AT LEAST TEMPORARY TENSIONS IN RELATIONS.

6. (CONF) FOR THE PAST SEVERAL WEEKS, RELATIONS BETWEEN BOTH COUNTRIES HAVE BEEN UNEASY. SINCE LATE LAST MONTH, BEIJING HAS BECOME INCREASINGLY CONCERNED AND SUSPICIOUS ABOUT WHAT IT PERCEIVES AS US INVOLVEMENT IN THE STUDENT DEMONSTRATIONS. MOREOVER, US NEWS MEDIA COVERAGE OF THE DEMONSTRATORS, INCLUDING COVERAGE OF THE ARMY'S [b](1),[1,4] CLEARING OF TIANANMEN SQUARE, HAS ALSO UNDOUBTEDLY AFFECTED RELATIONS.

7. (CONF) MEANWHILE, THE USSR, UNLIKE ITS EAST EUROPEAN ALLIES, CONTINUES TO REPORT THE EVENTS WITHOUT EDITORIALIZING OR CRITICIZING CHINA'S MILITARY ACTION.

8. (CONF) THE HARDLINERS IN CHINA WILL CITE RECENT US ADMINISTRATION AND CONGRESSIONAL ACTIONS TO SUPPORT THEIR POSITION THAT BEIJING MUST SLOW ITS POLITICAL AND ECONOMIC REFORMS AND AVOID BECOMING OVERLY DEPENDENT ON THE US AND OTHER WESTERN NATIONS FOR CARRYING OUT ITS MODERNIZATION PROGRAM.