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DTG

072330Z JUN 89

FROM

FM DIA WASHINGTON DC, (b)(3):10 USC 424

TO

(b)(3):50 USC 403-1(i)

**CONTROLS**

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PASS: (b)(3):10 USC 424, (b)(3):50 USC 403-1(i)

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 (b)(1),1.4 (c)

(b)(1),1.4 (c) 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

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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.

(b)(1),1.4 (c)

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.

**ADMIN**

PREP: (b)(3):10 USC 424

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