

Canadian Embassy



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The Honourable Bill Graham
Minister
Department of Foreign Affairs
and International Trade
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Dear Minister,

You will undoubtedly have seen media reports over the past week regarding the very significant changes in China's political leadership. Against this background, I wanted to write to you to update you on what I believe is the significance of these events for Canadian interests and in particular for DFAIT.

After much horse-trading, the Communist Party of China has decided on a new Politburo Standing Committee, the top decision-making body in the country. Hu Jintao, currently the Vice-President, heads it up and is almost certain to become President of the People's Republic of China in Spring, 2003. While the government positions (President, Premier, Ministers etc.) will all formally change hands next Spring, the change in Party leadership that just took place signals the beginning of the transition in real political control in China.

The nine members of the Politburo Standing Committee share remarkably similar backgrounds. All but one are engineers; all come from China's comparatively rich East coast; all joined the Party in their early 20s; all worked in engineering departments and ministries until the early 80s when they assumed political responsibilities at the provincial or national level. But only one, Lou Gan, studied abroad - foreign experience is not a long suit for the in-coming leadership.

China's new leaders are all, basically, managers of economic reform. They are dedicated to marketization of the economy, but through a multitude of small steps rather than through systemic or grand policy shifts. Uninterrupted economic growth remains the undisputed national policy objective. Everything else is subordinate.

The new Leadership understands that peace and stability in Asia is an absolute requirement for continued domestic growth. Therefore, I do not anticipate any dramatic shifts in China's foreign policy stance: China will continue to nurture good relations with the USA and its neighbours, in particular, the Republic of Korea, Japan and India, and will play a constructive role in Asian regional fora such as APEC, ASEAN and APEC. On the wider, global stage China can be expected to increasingly take a multilateral approach - the "Group of One" approach that characterized China's stance during the Cold War is becoming, in an increasing number of cases, an anachronism.

Canada, despite the positive sentiment that we still attract for historical reasons, is not in the first rank of China's political partners - that position of favour will continue to be occupied by the USA, the states of the EU, Russia and Japan. Still we are near the top of the list of those next in line, a position we will have to both defend and exploit by assiduous promotion of a program of bilateral visits in both directions and a more targeted and effective media policy.

I know that you share my commitment to developing fully the potential of our relations with China. I will be pressing China's new generation of leadership to visit Canada at the earliest possible date and strongly encouraging these influential leaders to call on you personally as appropriate. But it is very important that you also consider a visit to China, once the NPC has appointed, as is expected, a new Foreign Minister next March. The importance of your personal engagement in our bilateral relationship with the Chinese can hardly be overstated.

Best personal regards,



Joseph Caron
Ambassador