

# China Briefs

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## Beijing Rejects General Milley's Claim That China Poses a 'Threat'

On July 3, Chinese Foreign Ministry spokesman Wang Wenbin responded to the June 30 claim made by U.S. Chairman of the Joint Chiefs of Staff Gen. Mark Milley at the National Press Club in Washington, D.C., that China is aiming to exceed the U.S. in military power by mid-century. During his regular daily press briefing in Beijing, Wang told a questioner from *Global Times*:

"Some in the U.S. with evil intentions misrepresent facts and constantly hype up the China military threat narrative. They are in fact creating excuses for their efforts of arms expansion, maintaining military hegemony, sabotaging regional peace and stability, and finding ways to stoke tensions in the Taiwan Strait and use Taiwan to contain China."

China pursues a national defense policy that is defensive in nature and remains committed to peaceful development, he said.

"China's military growth means a stronger force for world peace and is conducive to safeguarding peace and stability in the Asia Pacific and beyond. Realizing the complete reunification of the motherland is the common aspiration of the Chinese people and we will strive for the prospects of peaceful reunification with utmost sincerity and efforts."

Two days later, Chinese Defense Ministry spokesman, Senior Col. Tan Kefei, denounced the June 29 U.S. State Department approval of \$440 million in arms sales to Taiwan. Tan charged that the U.S. has disregarded

China's core concerns, grossly interfered in its internal affairs, and deliberately escalated tensions across the Taiwan Strait, which is tantamount to turning Taiwan into a "powder keg."

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## Janet Yellen Has Nothing New To Say During China Tour

U.S. Treasury Secretary Janet Yellen met on July 6 with Prime Minister Li Qiang, former Prime Minister Liu He, and People's Bank of China Governor Yi Gang on the first full day of her four-day China visit. China's officials and government media have given Yellen a very friendly welcome. Prime Minister Li told Yellen in their July 7 meeting that China could see the bilateral relationship recovering. Yellen told Li that the United States "is not seeking a winner-take-all" competition.

Nonetheless, there can be no question that official China is aware that Yellen is the author of the "friend-shoring" strategy for decoupling from China; the author (as far as Washington alone is concerned) of the monster sanctions on Russia; part of the Treasury-Federal Reserve tag-team with Jerome Powell, under whose Fed governorship U.S. interest rate policy has been specifically deployed to attack China's renminbi currency and its economy; and must have been at least consulted on the Biden Administration's extreme semiconductor war on China.

The Treasury Secretary's publicly reported remarks appear to restate the Biden Administration position that China and America should have strategic cooperation in some areas and avoid confrontation, but the United

States will do what it wants to harm China's economy. In remarks quoted by the BBC and other media, Yellen stated:

"The United States will, in certain circumstances, need to pursue targeted actions to protect its national security. And we may disagree in these instances. We should not allow any disagreement to lead to misunderstandings that unnecessarily worsen our bilateral economic and financial relationship."

A statement on her visit released by China's Finance Ministry described the U.S.-China economic and trade relationship as "mutually beneficial and win-win," but added:

"There will be no winners in a trade war or decoupling. We hope that the U.S. side can create a sound environment for the healthy development of China-U.S. economic and trade relationships and promote win-win cooperation through concrete actions."

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## Brazil-China Cooperation Moves Ahead with East-West Railway Project

Ground was broken July 3 for the construction of Phase One of the long-planned, 1,527 km East-West Integration Railway (FIOL) in northern Brazil which, when completed, will connect by rail the productive mines and agriculture of the states of Bahia and Tocantins to ports on the Atlantic. The first 12-km stretch of FIOL's Phase One is being built by China Railway No. 10 Engineering Group, and is the company's first big rail project in Brazil.

The railway is certainly important in itself. As reported by China's *Global Times*, China Railway's statement on the project emphasizes that the railway will "promote the export of bulk

commodities, create thousands of jobs, and lead to an annual cargo transportation capacity of 60 million tons.”

But Sun Yanfeng, the Deputy Director of the Department of Latin American Studies at the Beijing-based China Institutes of Contemporary International Relations (CICIR), rightly emphasizes that this rail line can be followed by the great game-changer for all South America: a transcontinental railroad. Sun Yanfeng told *Global Times* on July 5:

“On one hand, it [FIOL] will establish a channel for transporting Brazil’s resources to the ports; on the other hand, it could pave the way for the construction of the Central Bi-Oceanic railway—a mega 3,750-km railway project running from the continent’s western side all the way to the eastern side and linking the Pacific and Atlantic Oceans.”

In 2010, in his previous term as President, Lula da Silva had been present for the launch of public bidding on the FIOL. It then stalled after Wall Street/London’s 2016 ouster of then-President Dilma Rousseff. Lula now wants to get it done:

“[This project is not being undertaken] in the interest of one businessman or another. It is in the interest of national sovereignty that we build this railroad and other railroads in the country, so that we can make this country competitive with any other country in the world. Brazil will be as big as we want it to be.”

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## China’s Optimism Evident at ‘Summer Davos’ in Tianjin

The World Economic Forum’s Annual Meeting of the New Champions, also known as the “Summer Davos,” took place during the last week of June in Tianjin, China for the first time in four years. Largely focused on promoting innovation and entrepreneur-

ship globally, with a special emphasis on Asia, the conference attracted 1,500 guests from 90 countries.

Russia’s *Izvestia* pointed out that Saudi Arabia’s 24-member delegation was one of the largest groups to attend, reflecting the strengthening of ties between Riyadh and Beijing that has occurred over the past decade. The Saudis and Chinese were expected to sign major new contracts at the event, *Izvestia* reported.

In keynoting the opening session June 27, Chinese Premier Li Qiang stressed the need to promote peace and development and added that history has proven that solidarity and cooperation are what humanity needs to face global challenges:

“Having experienced the shocks of global crises, as a community with a shared future, we must cherish the gains of cooperation, embrace the concept of win-win cooperation and work together to tackle these global challenges and promote human progress.”

Li challenged Western reports that insist that China’s economy is “slowing down,” by pointing to China’s ongoing improved economic growth, expressing confidence that it will reach its 5% economic growth rate this year. He reported on plans to increase the size of the market “and provide a consistent source of dynamism to the world economic recovery and growth as well as opportunities of win-win cooperation to investors from all countries.”

Premier Li also pointedly criticized the notion of “de-risking,” a term many Western politicians use when they really mean “decoupling.” De-risking and the idea of reducing interdependence is a false proposition, he said, *Global Times* reported, because the world economy is totally intertwined. The international community must firmly oppose the politicization of economic and trade issues, and instead jointly maintain the stability and uninterrupted flow of global industrial

and supply chains. Li:

“Governments should not overreach themselves, still less stretch the concept of risk or turn it into an ideological tool.”

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## China Completes Test of High-Speed Train at 453 km/h, Fastest in the World

China Railway reported July 1 that it had successfully completed performance tests of its high-speed train June 28, which ran on the Meizhou Bay cross-sea bridge at a single-train speed of 453 km/h. The CR450 train, built by the China Railway Rolling Stock Corporation (CRRC) and tested in southeastern China’s Fujian province, will run with passenger cars at a standard speed of 400 km/h. It will be the fastest commercial high-speed train in the world. Said Zhao Hongwei, chief researcher of the China Academy of Railway Sciences:

“There is no reference that can be used from other countries. We have to be the pioneers and find the answers for a train with a speed of 400 km/h. The standard [system for railways] is an important foundation of national socio-economic development, and also a core element of industrial development.”

The CR450 car—part of the country’s top-down China Railway CR450 Technology Innovation Project—incorporates nine new technologies, reflecting China’s continuously advancing science and technology, and its unwillingness to rest on its prior accomplishments.

China’s rail network now comprises 155,000 km, of which 42,000 km are high-speed rail. By about 2025 it plans to extend the network to 165,000 km, of which 50,000 km are to be high-speed. By contrast, the U.S. has but 80 km of what it calls high-speed rail, whose top speed (and that only rarely achieved) is only 140 km/h.