

## BUSINESS

# Janet Yellen says the Trump administration's China policies left the US more vulnerable



FILE - Treasury Secretary Janet Yellen speaks during a press conference after meetings with Chinese Vice Premier He Lifeng, Friday, Nov. 10, 2023, in San Francisco. Treasury Secretary Janet Yellen says former President Donald Trump's policies toward China left America "more vulnerable and more isolated" in the global economy, a rare jab by her at the frontrunner for the Republican presidential nomination. Yellen made the comment in remarks prepared for delivery at a U.S.-China Business Council event Thursday night. (AP Photo/Eric Risberg, File) [Read More](#)



BY **FATIMA HUSSEIN**

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WASHINGTON (AP) — Treasury Secretary Janet Yellen said former President [Donald Trump](#) 's policies toward China left America “more vulnerable and more isolated” in the global economy, a rare jab by her at the front-runner for the Republican presidential nomination.

Yellen, at a U.S.-China Business Council event Thursday night, said the Trump administration “failed to make investments at home in critical areas like infrastructure and advanced technology, while also neglecting relationships with our partners and allies that had been forged and strengthened over decades.”

Her comments come as the U.S. rebuilds its relationship with the Asian superpower, [including a November meeting](#) between U.S. President Joe Biden and Chinese President Xi Jinping in San Francisco. The two nations agreed to curb the production of illicit fentanyl, a deadly component of drugs sold in the United States, and agreed to resume military-to-military communications.

“Proceeding purposefully and carefully to responsibly manage our economic relationship” is the Biden administration approach on China, she said.

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Yellen, who rarely comments on the previous administration's approach on trade, said Trump-era policies on China "left America more vulnerable and more isolated in a competitive global economy that demands that nations take exactly the opposite approach."

"It damaged our global standing and meant significant missed economic opportunities for American firms and workers," she says.

In her speech, Yellen highlighted the Biden administration's strategy of strengthening relationships with like-minded nations through "friend shoring" with nations like South Korea, Vietnam, Japan, India and Indonesia. And establishing economic working groups between China and the U.S. that meet regularly to exchange information is an achievement, she said.

"Over the past three years, the Biden administration has course-corrected," she said. "We're investing at home through President Biden's Investing in America agenda," she noted, citing new laws on infrastructure, climate and semiconductors, among others.

The Biden administration has, however, kept in place some major Trump-era policies that are

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the general feeling in the administration is that it's not appropriate to lower the tariffs," she said.

In addition, Biden [signed an executive order](#) over the summer designed to regulate and block high-tech U.S.-based investments going toward China, a move his Democratic administration said is based on protecting national security. And in 2022, the U.S. moved to [block exports of advanced](#) computer chips to China.

Eswar Prasad, a Cornell trade policy professor, said there are major differences between the way the two administrations have approached the U.S.-China economic relationship.

"The Biden administration has maintained a tough but constructive approach toward China, prioritizing national security considerations but also seeking avenues of cooperation and progress in areas with mutual benefits," Prasad said. "The Trump administration took a more hostile and aggressive approach that was not tempered by a recognition of shared interests between the two countries."

Goods and services traded between the two nations totaled a massive [\\$758.4 billion in 2022](#), according to the U.S. Trade Representative. However, Chinese investment in the U.S. is decreasing, to \$28.7 billion in 2022, down 7.2% from the prior year.

Yellen said that in 2024, the U.S. "will aim to continue to responsibly manage the U.S.-China bilateral economic relationship" but the "relationship will face continued challenges." She said China still deploys unfair economic practices and is too slow in resolving relief plans for debt-distressed countries.

"We seek not to resolve all our disagreements nor avoid all shocks," she said. "This is in no way realistic. But we aim to make our communication resilient so that when we disagree, when shocks occur, we prevent misunderstanding from leading to escalation and causing harm."



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