

**The Dragon and the Eagle:**

*Evaluating the U.S. Approach to China in an Era of Competition*

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Since the re-opening of relations in the 1970s, the United States has maintained a strategic yet cautious relationship with the People's Republic of China. With the country having become a major player in global affairs, China has transformed into a governance rooted in authoritarian socialist principles with power concentrated among top party officials and maintain a constant expanding influence, both within and beyond the country's conventional borders. This has alarmed the United States, especially as China's global ambitions, economic statecraft, and military aggression challenge America's influence in key regions and sectors.

With the return of President Trump and the resumption of a more assertive stance against China, such as the continuation of trade tariffs, Sino-American relations are once again amplified in the contested global environment. In this context, China should be viewed as a strategic rival, whose current position challenges American economic, geopolitical, and technological spheres, while remaining too deeply intertwined with the global system to be viewed as an enemy. While the U.S. worked to meet the needs of great power competition, its approaches are fragmented and shaped more by current needs rather than long-term strategy. By evaluating the current administration's approach of using tariffs, technological restrictions, and remodelling of allied partnerships, the need for a balanced approach, such as targeting economic measures while coordinating with multilateral partners, in handling China is revealed—one that deters aggression while also protecting American interests at home and abroad.

First and foremost, the Trump Administration's use of tariffs against China marked a significant turning point in U.S. trade policy, with the administration describing their actions as using their leverage to ensure Americans safety and economic needs,<sup>1</sup> addressing trade

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<sup>1</sup> The White House, *Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China* (February 1, 2025).

imbalances, and the threat of China's economic rise through global programs such as the Belt & Road Initiative. Though the use of tariffs has escalated to affect more countries and even America's strategic partners, this policy is more reactive and disruptive to the domestic economy, costing consumers more for products and leading to job losses. Studies found that between 2000-2007, the U.S. consumer price index was lowered by 2%, reinforcing the idea that Chinese imports provided American households access to more affordable inputs and products.<sup>2</sup> Simultaneously, the application of tariffs against China led to job losses in the U.S. market. Research showed that further escalation of the trade war would significantly harm the labour force, with projections showing that the continued use of tariffs would result in 320,000 fewer jobs existing in the employment market by 2025.<sup>3</sup> While the Trump Administration views tariffs as a proven tool for protecting the national interests of Americans, these policies are misleading in their effectiveness and ultimately producing unintended economic consequences for the average citizen. The Trump Administration should instead re-strategize its approach and decrease the percentage in tariffs, while promoting further investment in domestic industries that produce key American exports. Although the administration implemented tariffs averaging 20% on Chinese imports, research suggests that a mutual moderate rollback to these tariffs could lead to employment rising over 145,000 jobs, while also raising household income by \$460.<sup>4</sup> By rolling back tariffs, the U.S. could see a broader job market growth and higher living standards for a majority of Americans, while also reducing inflationary prices for its citizens and encouraging the development of domestic industries that have long relied and utilized overseas labour.

In addition to economic policy, alliances in the Indo-Pacific provide another critical lever on America's position of power against China. Although the Trump Administration's

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<sup>2</sup> The US-China Business Council, *The US-China Economic Relationship* (Oxford Economics, January 2021), 8.

<sup>3</sup> The US-China Business Council, *The US-China Economic*, 21.

<sup>4</sup> The US-China Business Council, *The US-China Economic*, 4.

return reasserted American dominance in the region through continued security guarantees and trade, its approach of an ‘America-First’ foreign policy leaned heavily on military action, such as sending more military hardware and training with partners like Taiwan or Japan, while risking the sustainability of regional partnerships in the diplomatic and economic aspects. Recent analysis of the Quad (Australia, India, Japan, and U.S.) Alliance’s relationship with the returning president’s administration found that despite the Quad’s expanding military capacity, this shift may prove counterproductive by alienating regional partners and undermining broader economic goals such as boosting U.S. exports and promoting fair trade flows<sup>5</sup>. Without balancing diplomatic, economic, and military efforts, the Trump Administration risks undermining the very alliances it relies on to counter China’s growing influence. The shift to a show of force military focus stands in contrast to the Biden Administration’s Wilmington Declaration of 2024, which sought to work towards a broader, human-centric vision of Indo-Pacific stability, including humanitarian development, economic resilience, and public health, rather than being purely a military bloc.<sup>6</sup> Though the Trump Administration actions in the Quad reflect a legitimate concern about China’s rising belligerence in the region, the reliance solely on hard power and contradicting commitments, such as promising to provide more military hardware to assure Taiwan’s sovereignty while wanting to improve relations with China through more passive means, limits long-term strategic success. A more effective strategy would be a re-commitment to the Wilmington Declaration and not ignoring other elements of the Biden Administration’s Indo-Pacific strategy, such as infrastructure development and securing balanced trade deals with non-conventional parties.<sup>7</sup> Without this balance, the United States risks one of its important

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<sup>5</sup> Pooja Bhatt, “Trump 2.0, the Quad, and Indo-Pacific Strategy,” *South Asian Voices* (Stimson Center, March 9, 2025).

<sup>6</sup> Pooja Bhatt, “Trump 2.0, the Quad, and Indo-Pac. Strategy”

<sup>7</sup> Pooja Bhatt, “Trump 2.0, the Quad, and Indo-Pac. Strategy”

coalitions it depends on to counter China's regional assertiveness and stability in the Indo-Pacific.

Beyond economic policy and alliances, the technology sector has emerged as one of the most contested arenas in Sino-American relations, with the U.S. increasing its restrictions on tech exports and investment to limit China's development of their AI and military components.<sup>8</sup> Despite these measures signalling a recognition of China as a growing rival, the Trump Administration's policy remains limited by a lack of global coordination and the early signs of long-term economic fragmentation. Regarding the lack of global coordination, the French government views that France is ready for the trade war and is looking at U.S. digital services, like Apple, Meta, Microsoft, and Amazon, as part of its response.<sup>9</sup> Not only does the Trump Administration lack any consideration for its allies in handling this matter, it also places several prominent American tech companies in danger, ultimately affecting the overall economy further. This targeting of essential components has the probability to dampen other tech ventures like OpenAI or Oracle, weakening the development of new major data centers to power American manufactured artificial intelligence tools.<sup>10</sup> These current policies would lead to various foreign investors from the EU to instead invest in other sources of AI, such as the Chinese Deep Seek, further widening the gap in Euro-American relations. Therefore, the Trump Administration should consider a more multilateral approach with its democratic allies, setting the standards in emerging technologies, and coordinating export controls that would not be too damaging to the overall global market. As European Commission President Ursula von der Leyen warned, the EU 'holds a lot of the cards' it could play in retaliation of U.S. digital services and trade.<sup>11</sup> Therefore, a new framework of joint-nation export

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<sup>8</sup> Bureau of Industry & Security, "Commerce Further Restricts China's Artificial Intelligence and Advanced Computing Capabilities," *Office of Congressional and Public Affairs* (March 25, 2025).

<sup>9</sup> Cristiano Lima-Strong, "How Trump's Tariffs Could Hit the Tech Industry," *Tech Policy Press* (April 3, 2025).

<sup>10</sup> Lima-Strong, "How Trump's Tariffs Could Hit the Tech Industry"

<sup>11</sup> Lima-Strong, "How Trump's Tariffs Could Hit the Tech Industry"

regulations, interstate border protections, and shared digital standards, would not only maximise pressure on China but also protect American tech companies from being targeted from economic crossfire.

Overall, China is best understood as a strategic rival, whose ambitions to dethrone the United States as the primary global super power, and economic influence challenge the United States across multiple domains, while remaining deeply intertwined with the global system that stops it short of being deemed an outright enemy. While the Trump Administration implemented tariffs, technological restrictions, and restructured alliances recognizing China's strategic rivalry, it often falls short of strategic consistency, vision, and close coordination with democratic partners. The U.S. must therefore move beyond fragmented, reactionary measures, and instead towards a broader strategy, which deters further Chinese military and economic aggression, while building closer ties with allied partners to shape a balanced international order. Ultimately, a revision of America's focus to confront the Chinese rival will determine the long-term success of America's foreign policy and position on the world stage.

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