
Treasury Secretary Yellen says China can Develop, as long as it Accepts American 'Leadership'

Description

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Recently, US Treasury Secretary Janet Yellen made her first remarks on US economic engagement with China in nearly two years.

She rejected the idea that a war between the US and China is *"increasingly inevitable,"* that there is *"no reason to fear healthy economic competition with any country,"* and that *"China's economic growth need not be incompatible with US economic leadership."*

Yellen also said that the primary goal of the US is always to safeguard its *"national security"* and thus it's not really out to hamper the rise of China or its economy. But actions speak louder than words, and her comments come on the back of the US attempting to cripple China's entire semiconductor industry, forcing third-party countries to abide by those restrictions as well, adding numerous Chinese companies to its trade-restrictions entity list, using allegations of forced labour to opportunistically undermine certain Chinese industries and, of course, maintaining broad Trump-era tariffs on Chinese exports to the US.

It might be asked, what form of economic engagement is there to be had? Because the rhetoric, hyperbole and extremity from Washington could not be less conducive to an economic relationship with China, what with terms such as 'decoupling' being thrown around, and the existence of an entire US congressional committee purely to produce anti-China legislation. The Biden administration, for that matter, is so sensitive to appearing 'weak' on China, that it will capitulate to any popular trend that gains enough political clout, such as calls to ban the popular TikTok app.

The US is so wrapped up on its protectionist, America First doctrine that it cannot be seen to be making concessions. And, looking at Yellen's choice of words, we see the *"catch"* – **China is only permitted to grow on the condition that it accepts "US economic leadership"**

– in other terms, the US' political, economic, and military dominance.

This isn't about reaching a consensus or agreement between the two parties; it is about Washington unilaterally imposing its demands on Beijing and requiring that it step down from certain ambitions. This is classic Western imperialism when it comes to China. Economic engagement with China and its massive market is great, provided that it is the Americans who are setting the terms and reaping the profits. The idea of the Chinese asserting their own sovereign rights and interests is not an option.

For the purposes of a historical comparison, the British had their own economic 'engagement' with China in the 19th century. The Opium Wars were about bringing China to heel and forcibly opening up its market so that the UK could exclusively benefit from it. Today, the US wants to benefit from the Chinese market, but only if the terms are favourable for American companies and capital, and is therefore attempting to force capitulation. This is why so much of US policy concerning China is devoted to try and destroy or contain the bulk of China's own high-end industries and companies.

For example, the US does not want China to develop its own commercial passenger jets, such as the C919; it wants Beijing to rely eternally on Boeing. It does not want China to develop its own microchip-making capabilities, as this will undermine the US control over the industry. You get the picture. The US had little issue with China dominating low-end cheap manufacturing that makes trivial and unimportant goods such as throwaway plastic hotel combs or nail clippers. That's the kind of economic engagement Washington wants, where the balance of profits is in its favour, but the burden of consumer and labour exploitation is on the Chinese.

Finally, it might be worth noting that the US does not tolerate any economic competitor, even among allied states. Hence it has shown little remorse for the destruction and deindustrialization of the German economy, or when it crippled Japan with the 1985 [Plaza Accord](#). **The only acceptable China to the US is a weak China, that serves no purpose other than to be a cash cow from which all profits, incentive and talent are vacuumed home.** China sees this as completely unacceptable, akin to a new 'Century of Humiliation' and this is why no 'economic truce' is possible if it is predicated on China's surrender to American terms.