

US presidential election 2024

Trump megadonor John Paulson warns against 'decoupling' from China

Hedge fund billionaire is considered possible pick for Treasury secretary



From left, John Paulson; Alina de Almeida, who Paulson is engaged to; Melania Trump; and Donald Trump. Paulson says US-China trade is 'beneficial for the global economy' © Alon Skuy/Getty Images

Alex Rogers in Washington YESTERDAY

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John Paulson, the Republican megadonor considered to be a potential Treasury secretary if Donald Trump wins the presidential election, has warned that the US must not “decouple” from China, striking a more measured tone than the former president on trade.

The hedge fund billionaire, who hosted the Republican candidate at a \$50mn fundraiser in Florida last week, also said tariffs, which [Trump](#) has vowed to impose on China, were a “blunt tool” to fix trade imbalances.

“We don’t want to decouple from China,” [Paulson](#) told the Financial Times in an interview. “China is the second-largest economy in the world. We need to have a good economic and political relationship with them.”

The comments show that [trade](#) remains an area of potential disagreement between Trump, who has repeatedly lashed out at “globalists” as he proposes an “America first” agenda, and his deep-pocketed Wall Street backers

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He launched a trade war with Beijing during his presidency and has continued to call for widespread tariffs and potentially a decoupling of the US and Chinese economy. He has also floated a 10 per cent tariff on all goods imported into the US.

Paulson advocated for “fairness and reciprocity” in the US relationship with China, which he said remained “very one-sided”, and pushed to eliminate a law allowing China to export cheap goods to the US duty-free.

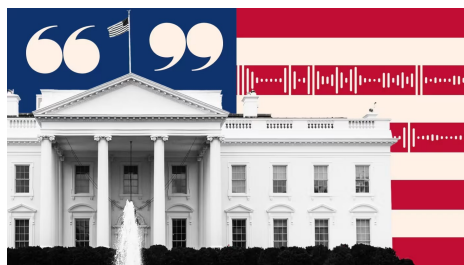
But trade was “beneficial for the global economy”, he said, and tariffs were a “blunt tool to level the playing field”.

Paulson also struck a more moderate tone on the Federal Reserve than Trump, who has accused chair Jay Powell of being “political”, suggesting he might lower interest rates this year to help Democrats in the presidential election.

“So far, I don’t have any issues with the way the Fed is approaching their interest rate policies,” said Paulson, who made his fortune investing against the housing bubble that caused the 2008 crash.

Paulson also downplayed the strength of President Joe Biden’s economy, which has included fast growth, low unemployment and record stock market highs. The boom was due to “excessive” and “unsustainable” government stimulus spending since the Covid-19 pandemic, he said.

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Paulson instead heaped praise on Trump’s record, and declined to say that Biden had won the 2020 election.

“The 2020 election is in the past, but I do believe there were legitimate concerns raised about election integrity,” Paulson added. “Going forward, it’s very important that people believe in the fairness and integrity of elections.”

The Trump funder also hit out at the court cases against the former president, which include charges relating to his alleged efforts to overturn Biden’s victory.

“I think a lot of these cases against Trump are politically motivated,” Paulson said. “I never thought it would be happening in the US that our judicial system would be used

never thought it would be happening in the US that our judicial system would be used for political purposes.”

He added: “When people understand the nature of these cases, they feel that Trump is being politically prosecuted. Instead of harming him, it’s creating enormous support for Trump.”

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