

EXECUTIVE SUMMARY

Building on the findings of the Committee Democrats’ report issued in July 2025, this follow-up report documents how foreign policy actions undertaken by the second Trump Administration have upended longstanding strategic partnerships and decimated foreign policy tools and institutions, ultimately weakening U.S. global leadership and undermining America’s ability to compete with China.

Written by the Democratic Staff of the Senate Foreign Relations Committee, it is based on official staff travel, committee oversight activities, open-source research and insights from meetings with the Administration, foreign government officials, American companies and international non-governmental organizations.

The evidence is alarming: President Trump’s indiscriminate trade wars, shortsighted travel bans and visa policies, and funding cuts to U.S. institutions of higher learning have crippled core pillars of America’s innovation ecosystem. The Administration’s gutting and politicization of the federal workforce, as well as steep cuts to foreign aid, cultural diplomacy and international broadcasting have hollowed out the preeminent foreign policy tools and institutions charged with advancing U.S. national security interests abroad. Allied leaders now feel more compelled to engage Beijing after remarks from the White House suggested that military options against the Kingdom of Denmark, a NATO ally, was under consideration. The abandonment of alliances and a rules-based international order in favor of a national security strategy centered on “spheres of influence” threatens America’s long-term peace, stability and prosperity. These actions have accelerated China’s strategic aim to unseat the United States as a global leader in science and technology, advanced Beijing’s position as a powerhouse in global trade and enhanced its reputation as a reliable development partner across the global south.

The following are key areas where America’s competitive advantage in innovation, diplomatic statecraft and global influence have suffered. In particular, this report highlights the real economic harm President Trump’s policies are causing American workers and firms by raising prices and undercutting growth and competitiveness.

- **Undermining the U.S.’s Innovation Ecosystem:** The Administration’s fluctuating tariffs have devastated America’s small businesses, forcing layoffs of 120,000 workers in November 2025, the largest monthly total in five years.¹¹ President Trump’s decision to allow the sale of cutting-edge semiconductors to China will undermine the United States’ long-term economic edge.¹² The Administration’s travel bans, visa policies and cuts to funding for science have forced worker shortages in critical national security sectors—particularly in the cyber, microelectronics, and precision mechanics sectors, among others—and have driven top talent to well-funded research programs and scholarship opportunities at universities outside the United States.¹³ Meanwhile, China is expanding visa categories and business opportunities for international professionals in science, technology, engineering and math (STEM), and Chinese universities have now surpassed U.S. counterparts in scientific output.¹⁴

¹¹ Press Release, Center for American Progress, “RELEASE: An Unhappy Year for Small Businesses Under Trump’s Tariffs,” Dec. 17, 2025; Supreme Court of the United States, *LEARNING RESOURCES, INC., ET AL. v. TRUMP*, No. 24–1287, https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf.

¹² Michael c. Horowitz, Chris McGuire, and Zongyuan Zoe Liu, “The Consequences of Exporting Nvidia’s H200 Chips to China,” Council on Foreign Relations, Dec. 9, 2025, <https://www.cfr.org/articles/consequences-exporting-nvidias-h200-chips-china>.

¹³ Congressional Research Service, [The H-1B Visa for Specialty Occupation Workers/Immigration] [Feb 18, 2025].

¹⁴ Centre for Science and Technology Studies at Leiden University, <https://traditional.leidenranking.com/ranking/2025/list>.

- Dismantling the Diplomatic Toolkit:** More than half of U.S. embassies overseas are currently without a Senate-confirmed ambassador.¹⁵ In 2025, the Administration also rescinded over \$14 billion in foreign assistance funds, significantly curtailing U.S. influence abroad with drastic human consequences. In contrast, China has ambassadors at nearly every diplomatic outpost, fields the world’s largest diplomatic corps and posted record investments in 2025 under its Belt and Road Initiative. Billions in U.S. taxpayer dollars have been shifted into slush funds as positions tasked with preventing waste and fraud are dismantled. Under Secretary Rubio’s leadership, the United States has wasted, rather than saved, taxpayers’ dollars and permitted the expiration and destruction of lifesaving food and medical commodities.¹⁶
- Upending Strategic Partnerships and Alliances:** The Trump Administration has needlessly pushed alliances to the brink of rupture, launched an already costly war in the Middle East with no strategy or endgame in sight, and damaged partnerships built on a bipartisan basis over decades. The majority of people in the Kingdom of Denmark, who once supported the U.S.-Denmark Alliance, now consider the United States to be an adversary.¹⁷ Other allies observed the White House’s threats against Greenland with horror and worked through diplomatic channels to avert a crisis that never should have transpired.¹⁸ While the Administration has slashed funding to UN agencies and withdrawn the United States from over 60 international organizations, China has coerced U.S. allies with impunity and presented itself as the defender of responsible and steady conduct on the world stage.¹⁹ While the Trump Administration withdrew the United States from international organizations designed to facilitate trade in critical minerals, China secured the role of host of the 2027 World Radio Conference, which will revise crucial international telecommunications guidelines.²⁰

¹⁵ AFSA U.S. Ambassador Tracker <https://afsa.org/list-ambassadorial-appointments>.

¹⁶ Jennifer Hansler, “U.S. Set to Destroy 500 Tons of U.S.-Taxpayer Funded Emergency Food,” *CNN*, Jul 16, 2025, <https://www.cnn.com/2025/07/16/politics/us-destroy-500-tons-us-taxpayer-funded-food>.

¹⁷ Emil Or, *Large majority now sees the US as an adversary - not as an ally*, DR (February 2025) <https://www.dr.dk/nyheder/politik/stort-flertal-ser-nu-usa-som-modstander-ikke-som-allieret>.

¹⁸ Paul Adams, “US allies won’t forget Trump Greenland crisis”, *BBC*, Jan. 1, 2026, <http://bbc.com/news/articles/cj3vv1kv1rdo>.

¹⁹ Press Release, The White House, “President Donald J. Trump Withdraws the United States from International Organizations that Are Contrary to the Interests of the United States,” Jan. 7, 2026.

²⁰ International Telecommunication Union (ITU), “World Radiocommunication Conferences (WRC),” <https://www.itu.int/en/ITU-R/conferences/wrc/Pages/default.aspx>.