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Biden announces raft of measures aimed at securing supply chains for World War III

On Monday morning, the Biden administration announced a raft of nearly 30 new measures aimed at securing US supply chains. One of these measures was the creation of a new White House Council on Supply Chain Resilience, which convened later that afternoon.

The White House is positioning the moves as aimed at lowering costs for American consumers. In reality, they are aimed at reorganizing supply chains rendered vulnerable by US imperialism's push for World War III. The speed with which these measures were announced and are apparently being put into practice is a warning that, having fomented war between Ukraine and Russia and backed the ongoing Israeli genocide in the Gaza Strip, Washington is moving rapidly towards opening a third front, this time against China.

Significantly, membership in the new White House council includes nearly every cabinet-level position, including top posts in the military-intelligence apparatus such as the secretaries of Defense and Homeland Security, the national security advisor and the director of national intelligence.

As is customary for US presidential speeches on the economy, Biden's opening remarks to the council gave a picture that bears no relation whatsoever to reality. While saying there was still "more work to do," the president claimed that thanks to the policies of his administration the US economy has added millions of jobs, wages have increased and the inflation rate has declined by two-thirds.

In reality, the primary aim of Biden's economic policy is to rein in wage growth, triggering higher unemployment by increasing interest rates. Another centerpiece of his policy is working with the pro-corporate trade union bureaucracy to block strikes for wage increases which outpace inflation.

An article in Bloomberg published the same day gave a sense of reality. "US consumers are shouldering a burden unlike anything seen in decades—even as the pace of price increases has slowed," the business outlet reported. "And the government data reports that show easing inflation are cold comfort, because they simply indicate prices are growing at a slower pace, not that they are returning to early 2020 levels.

Wage increases have been almost entirely canceled out by inflation, Bloomberg found. "At the same time, housing affordability is at its worst on record, auto-loan rates have soared, and borrowing with a credit card has never been so expensive."

The White House's public explanation for the new measures falsely claims that record inflation over the past three years has been mainly the result of shortages caused by supply chain issues, such as the massive buildup on West Coast ports in late 2021. In fact, official data shows that the chief driver has been rising profits, which have reached record levels during the pandemic as a result of policies designed to protect major corporations at the expense of human lives. This includes the multi-trillion-dollar bailout passed in the early months of the pandemic and the premature ending of public health measures in the name of protecting "the economy."

Not one of the new measures takes aim at reining in profits, even in a limited or pro-forma way. Biden's only acknowledgment of the issue came two-thirds of the way into his speech, when he issued a lame admonishment to CEOs to lower their prices.

Biden's campaign to secure supply chains is subordinated to a broader war against the working class. Since taking office, his administration has conducted unprecedented interventions into contract talks in key industries, including the docks, the oil refineries, UPS and the auto industry. But the most infamous was his administration's intervention to ban a strike on the railroads last year and impose a contract which workers had rejected. In each of these cases, Biden, who describes himself as the most "pro-labor president in American history," has relied heavily on the trade union bureaucracy to suppress opposition among rank-and-file workers and impose contracts which limited wage increases to below inflation.



President Joe Biden signs legislation overriding the democratic right of railroaders to strike, in the Roosevelt Room at the White House, Friday, December 2, 2022, in Washington. Biden was joined by from left, Celeste Drake, from the Office of Management and Budget, National Economic Council director Brian Deese, formerly of Blackrock (the largest asset manager on the planet) Agriculture Secretary Tom Vilsack, Transportation Secretary Pete Buttigieg and Secretary of Labor Marty Walsh. [AP Photo/Manuel Balce Ceneta]

Transportation Secretary Pete Buttigieg made a veiled reference to the administration’s policy of forcing workers to shoulder the burden of “supply chains” in his remarks to the council yesterday, when he thanked workers for “stepping up” to work through supply chain backlogs—in reality, through overtime and speedup imposed upon them in the teeth of the pandemic.

The new White House initiatives fall under two basic categories. The first are measures aimed at creating new trade blocs dominated by the United States and oriented against key rivals such as Russia and China. The second are those aimed at securing domestic supply chains, especially those critical to the military, including through suppression of the class struggle at home.

The first category includes a series of supply chain disruption “early warning” systems implemented through existing agreements with the European Union, Japan, Korea, Mexico, Canada and Australia. The White House also highlighted the new “Indo-Pacific Economic Framework for Prosperity,” a trade-bloc initiative launched last year including 13 US allies and excluding China, the second-largest economy in the Indo-Pacific behind the United States.

The White House also pointed to a series of trade measures in Latin America, which are aimed at safeguarding the continued domination of America’s “backyard.”

These are to be combined with initiatives aimed at “onshoring” manufacturing from low-wage countries to the United States. For example, the White House announced it would invoke the Defense Production Act (DPA) to increase domestic production of “essential medicines.” The DPA, a Cold-War era measure, was also used by President Trump in 2020 to force meatpacking plants to stay open during the pandemic—one of the few Trump-era executive orders Biden did not rescind.

In presenting these measures at the council meeting, Biden attempted to out-“America First” Donald Trump, declaring that Republicans wanted to go back to the “bad old days” when production was moved overseas in search of the cheapest labor. Now, he said, “we’re not importing anything, other than what we don’t make.” In reality, the development of domestic production is based on reducing labor costs as much as possible in the United States itself.

Biden also reiterated an earlier false claim that inflation was caused by manipulation by “foreign shipping companies,” in a continuing attempt to redirect social tensions at home outward to a foreign enemy.

Both Biden’s speech and the White House press release devoted considerable attention on access to semiconductors, a vital component in all computers. Biden warned that the US market share in semiconductors had fallen from 40 percent to 10 percent, and pointed to a raft of measures designed to stimulate domestic production.

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The vast majority of the world’s semiconductors come from the Asian island of Taiwan. The US is deliberately attempting to foment war with China over Taiwan by sailing destroyers through the Taiwan Strait and backing the most hawkish factions of the Taiwanese political establishment. One high-ranking US general recently predicted such a war, involving huge numbers of US troops, could break out in the next two years.

Modern Taiwan, formally known as the Republic of China, was founded by the US-backed warlords who lost the Chinese Civil War in 1949, who then evacuated to the island

under the protection of the US Navy. China regards Taiwan as a rebel province, and Washington's switch to recognizing the People's Republic as the sole legitimate government of all of China in the 1970s was the basis for normalizing relations with the mainland. That policy has now been all but abandoned as the United States moves to re-establish formal ties with Taiwan and declares its readiness to send American troops and ships in the event of war.

In other words, the US is aiming to protect access to this key resource, which would be cut off in the event of a war which it is deliberately stoking. In a similar vein, the White House also stressed new measures to secure the supply of fertilizer, of which Ukraine and Russia are two of the world's largest producers.

Other measures leave no doubt as to the military purpose of the policies taken as a whole. One such measure is a new National Defense Industrial Strategy, which the White House touts as coming on top of \$714 million in Defense Production Act investments this year. The government will also create a new supply chain mapping tool "to analyze supplier data for 110 weapon systems," which would also be used "to develop defense industrial base wargaming scenarios to identify vulnerabilities and develop mitigation strategies."

No doubt, one factor behind the new tool is concern over growing support for industrial action to halt the supply of weapons to Israel.

The White House also boasts of other new "cross-governmental supply chain data-sharing capabilities" which can be used to "to coordinate a more complete, whole-of-government critical supply chain monitoring function." Some of these tools would leverage emerging artificial intelligence technologies, according to the press release.

Ominously, the press release also states the Department of Homeland Security is establishing a new "Supply Chain Resilience Center" whose "near-term priorities" include "addressing supply chain risks resulting from threats and vulnerabilities *inside* U.S. ports [emphasis added]."

The choice of words—threats "inside" US ports—is not accidental. It means this center is aimed at preventing work stoppages such as those which dockworkers carried out over the last year on the West Coast, in defiance of the union bureaucracy which was working with the Biden administration to keep workers on the job without a new contract. Other significant demonstrations have temporarily halted work on the docks, including protests last year by independent truckers in California and demonstrations earlier this month to prevent a ship carrying weapons for Israel from leaving the Port of Oakland.

The new measures must be taken as a warning that the preparations for new, catastrophic wars are far more advanced than the public has been informed. They must be stopped by a movement of the working class, who, as always, will be made to shoulder the cost in both money and human lives.

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