

Biden administration intensifies economic war against China

Nick Beams
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The Biden administration has raised tariffs on imported Chinese electric vehicles from 25 percent to 100 percent and lifted tariffs on a range of other products as part of an ever-deepening economic war against Beijing.

Announcing the measures in the Rose Garden, Biden attempted to present them as pro-worker. But the fact that he was introduced by Jesse Gary, the head of a major aluminum company, one of the chief beneficiaries, speaks volumes as to the class content of his tariff program.

The effect of tariffs is to impose a tax on consumers to fatten the profits of the corporations. When Trump introduced tariff measures, Biden condemned them as regressive. Now he not only accepts Trump's trade tariffs, but has extended and deepened them as part of a global military and economic offensive targeting China alongside Russia and Iran.

Biden condemned Chinese exports across a range of goods as being more than the world can absorb at “unfairly low prices.” Nothing could more clearly reveal the utter irrationality of the capitalist system than the fact that the production of cheaper goods in greater quantities, thereby increasing material wealth and advancing measures to deal with climate change, is a danger.

The headline item was the tariff hike on EVs, but other measures, imposed under Section 301 of the 1974 Trade Act covering “national security,” and aimed at around \$18 billion worth of goods, extend to other key areas of the economy.

The rate on a number of steel and aluminum products will rise from their previous top level of 7.5 percent to 25 percent. The rate on semiconductors will increase from 25 percent to 50 percent. The rate on lithium-ion batteries used in EV production and in other areas will also rise to 25 percent, together with the rate on graphite and other critical minerals. The tariff rate on solar cells will rise from 25 to 50 percent.

Beyond high-tech and green technology areas, a new 25

percent tariff on ship-to-shore cranes will be introduced. Tariffs on needles and syringes will go from 0 to 50 percent, along with a rise in tariffs on face masks and rubber medical and surgical gloves, which will go from 7.5 percent to 25 percent.

The “national security” concerns—essentially the preparation for war—were highlighted in the White House statement announcing the measures directed at the EV supply chain.

It said that despite progress in US “onshoring,” China “currently controls over 80 percent of certain segments of the EV battery supply chain,” and “concentration of critical minerals mining and refining capacity in China leaves our supply chains vulnerable and our national security and clean energy goals at risk.”

The reference to “clean energy” is a complete fraud. The effect of the new tariff measures, lifting prices as their intended goal, will make the transition to green energy more expensive and thereby slow it down.

The mantra that accompanied each tariff announcement was the claim that they were in response to China's “unfair trade practices” and the flooding of global markets with the low-priced exports, the result of transfers of technology and on-market actions, a reference to state subsidies.

The real reason lies elsewhere and was pointed to in the White House statement, which said investments being financed by the Inflation Reduction Act and the CHIPS and Science Act were creating new jobs in manufacturing and clean energy and “helping communities that have been left behind make a comeback.”

The concern of the Biden administration is not with “communities,” but with US corporations which have fallen behind their rivals in the development of technology and more efficient production methods, and the effect this has had on Washington's war-making capacities.

As the *Financial Times* noted in its report, the hikes were “carefully targeted at strategic sectors,” and were designed to “buy time for US companies to catch up with Chinese rivals.”

One of the main reasons US corporations have fallen behind is that profit accumulation has increasingly centered on parasitic financialization, often via massive share buybacks, rather than the development of the productive forces.

The result is that America’s economic supremacy has been severely eroded, to which the imperialist state is responding in the area where it enjoys continued supremacy: the use of military means.

This is the significance of the focus on “strategic sectors,” particularly computer technology, which is vital for the functioning and enhancement of the imperialist war machine.

The economic war against China, pursued in combination with political and military provocations centering on Taiwan and the South China Sea, is being conducted with the claim that the tariff measures are needed to protect the interests of American workers.

The trade union bureaucracy plays a vital role in the promotion of this fiction, and it was significant that a number of union officials were present as Biden delivered his announcement in the Rose Garden.

Welcoming the tariffs, the international president of the United Steelworkers union, David McCall, said, “Flawed Chinese trade policies have had an outsized negative impact on our members.”

The United Auto Workers, which has endorsed Biden for the US presidency, said the tariff increases would ensure that “the transition to electric vehicles is a just transition.”

In fact, the move by US car manufacturers is being accompanied by job cuts and the intensification of exploitation, with much more to come.

And there is a wider agenda at work, as the union bureaucracy well knows—the enhancement of American imperialism’s military capacities. UAW President Shawn Fain repeatedly invokes the phrase “Arsenal of Democracy” to characterize the policy of the unions, recalling their role in World War II as they enforced the “no strike” pledge and supported the jailing of socialists.

The invocation of this reactionary history makes clear they are more than ready and willing to repeat this role in the developing war against China.

The Biden tariff measures will have far-reaching international ramifications.

tariff Europe, where Chinese EVs and other high-tech products are being excluded from American markets, the report being prepared by the European Commission into Chinese EV and other exports under the banner of protecting “national security,” due to be brought down in a few weeks, is virtually certain to escalate economic warfare measures.

Responding to Biden’s measures, the Chinese Ministry of Commerce said:

China will take resolute measures to safeguard its own rights and interests. The US should immediately correct its wrong actions and cancel the additional tariff measures against China.

But as Beijing well knows, such entreaties will fall on deaf ears, as the goal of US imperialism is to cripple China, which it regards as the chief impediment to its drive for global dominance.

On the Chinese side, the development of the “new productive forces” is an existential question for the stability of the regime. The logic of this conflict therefore leads not only to intensified economic warfare, but ultimately to a military conflict.

The Biden administration is playing with fire. In a *Bloomberg* interview, Treasury Secretary Janet Yellen said, “Hopefully, we will not see a significant response—but it’s always a possibility.”

In response to the intensification of economic conflicts, which increasingly resemble those of the 1930s, only at an even higher level--conflicts that helped prepare the way for World War II--the working class must fight for its independent interests.

That requires a political struggle for an international socialist program against the capitalist parties and their props, the trade union bureaucracies, as the only way to prevent the descent into another world war, the conditions for which have been further advanced by the economic warfare measures announced by the Biden administration.



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