

US extends economic war on Russia to China

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An article published in the *New York Times* on Tuesday, entitled “US aims to expand export bans on China over security and human rights,” explicitly linked Washington’s escalating economic war on China with the US proxy war on Russia in Ukraine.

Citing administration officials, the article declared that “the Biden administration is applying lessons learned from controls on Russia during the Ukraine war to try to limit China’s military and technological advances.” It noted that the White House has declared China to be the “greatest long-term rival” of the US.

US Commerce Department official Alan Estevez told an event organised by the Center for a New American Security: “We need to ensure that the US retains technological overmatch. In other words, China cannot build capabilities that they will then use against us, or against their neighbours for that matter, in any kind of conflict.”

Estevez is head of the Commerce Department’s Bureau of Industry and Security, which oversees export controls. Significantly he is also a former Pentagon official, underlining the direct link between economic and military warfare. Estevez told a Commerce Department policy conference last week: “My goal is to stop China from being able to use that technology to advance their military, modernize their military.”

The fact that the Biden administration is targeting China with the measures being used in its war against Russia is highly significant. Increasingly openly, the US is treating the military war against Russia and the mounting confrontation with China as part of a far broader conflict to weaken and subjugate potential rivals.

Just as the US goaded Russia into invading Ukraine by refusing to rule out NATO membership, so it is strengthening ties with Taiwan and boosting arms sales to the island. Washington knows full well that any move by Taipei to declare independence could provoke

Chinese military intervention. As with Russia in the Ukraine war, the US would use conflict over Taiwan to undermine and destabilise China.

All of these war plans are hypocritically dressed up as the defence of democracy and human rights. Commerce Secretary Gina Raimondo told the same departmental conference that export controls were “at the red-hot centre of how we best protect our democracies.” She boasted that global export controls on Russia had led to a 90 percent slump in its semiconductor imports and could soon decimate its fleet of commercial aircraft.

China is also in the crosshairs. The Biden administration announced another round of bans last week against five Chinese companies claiming that they were continuing to support Russia’s military-industrial complex and that their activities were “contrary to US national security and foreign policy interests.” The Commerce Department provided no evidence for its allegations.

The companies added to the export blacklist—Connec Electronic, King Pai Technology, Sinno Electronics, Winninc Electronic and World Jetta Logistics—are all in the hi-tech sector. The bans, the first on China for allegedly aiding Russia, were implemented even though American officials acknowledge that the Chinese government and most Chinese companies have complied with US-led sanctions.

These are just one element of the battery of bans and tariffs imposed on China under Trump and now extended under Biden in an effort to weaken its economy. Whatever the pretexts, which range from connections to the Chinese military to allegations of human rights abuses in Xinjiang, the measures are particularly aimed at crippling China’s efforts to compete in hi-tech fields.

Not only do the bans apply to US companies and investors, but the Biden administration is seeking to extend them to foreign companies using the threat of

economic penalties. The US has blocked foreign companies from exporting certain items if they are made with American technology to listed entities including the Chinese hi-tech telecommunications giant, Huawei. Bans are also in place over the export of goods containing specific amounts of American-made content.

Washington has marshalled its allies in Europe and Asia in the proxy war against Russia to join in the economic bans on Russia. However, its efforts to do the same against China have met with some resistance in American and global business circles fearful of the economic impact of such measures and of Chinese retaliation.

Myron Brilliant, executive vice president at the US Chamber of Commerce, told the *New York Times* that while businesses supported sanctions against Russia, views on China were “more complex and nuanced.” The business community, he said, had deep concerns about China’s policies, “yet we must also recognize that the two largest economies are very integrated... So the impact of broad decoupling or extensive sanctioning of China would be much more destabilising.”

Nevertheless, the Biden administration is proceeding with its efforts to tighten the economic noose around the Chinese economy. Bloomberg reported this week that the White House “is expanding its campaign to curb the country’s rise” by seeking to block the Dutch corporation ASML Holding NV from selling chip-making technology to China.

The Trump administration had already bludgeoned the Dutch government into barring the export of the most sophisticated chip-making technology to Chinese firms. ASML is the world’s top maker of lithography systems, machines that perform the crucial step of etching the microscopic circuitry essential to the manufacture of semi-conductors.

Now US officials are in talks with their Dutch counterparts to prevent ASML from selling older mainstream technology, known as deep ultraviolet lithography (DUV), required to produce the less advanced chips used in a broad range of devices from cars to computers, phones and robots.

As Bloomberg explained, such a ban would significantly broaden the range and class of chip-making gear now forbidden from heading to China,

potentially dealing a serious blow to Chinese chip-makers from Semiconductor Manufacturing International Corp to Hua Hong Semiconductor Ltd.

Just as the Trump administration set out to destroy the Chinese tech giant Huawei by cutting off its global access to advanced computer chips and technology, so the Biden administration is seeking to block China from developing its indigenous chip-making capacity that is vital across a broad range of commercial and military applications. According to Bloomberg, American officials are also pressuring Japan to ban the export of chip-making technology to China.

Along with US propaganda over Chinese “human rights” abuses, unsubstantiated allegations of threats to invade Taiwan, the strengthening of US military alliances in Asia and the boosting of the American military in the region, the escalating economic war is another warning of US imperialism’s advanced plans for conflict with China.

Far from being an isolated episode in Eastern Europe, the US proxy war in Ukraine is rapidly morphing into a global conflagration between nuclear armed powers.



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