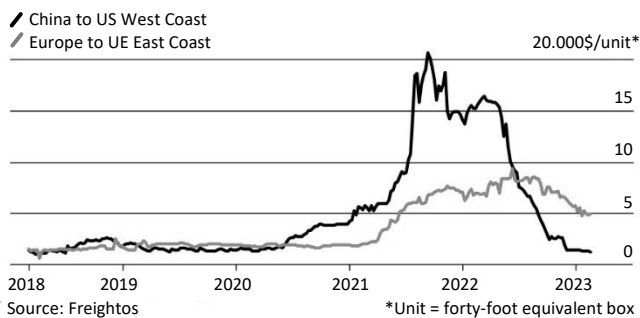
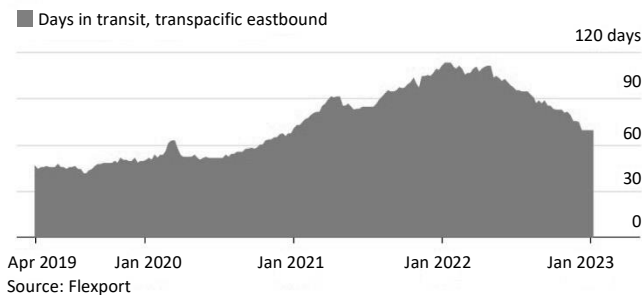


## GRADUAL DEFLATION OF THE SUPPLY CHAIN

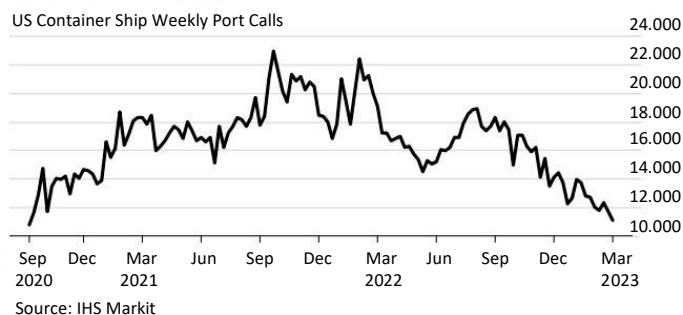
The short-term prices of container transport from China to the US West Coast have been reduced to one fifteenth, as the tension produced by the epileptic resumption of circulation after the lockdowns deflates (see "The International proletarian" n°9, p. 10 and 11). Around 70% of global transport is subject to long-term contracts (signed in 2021 and 2022), which have an inertia effect slowing down the transmission of price reductions. However, there is a clear tendency for prices to return to their starting point if capitalism does not provide itself with a new shock. This has been a key element in containing the inflation that its previous rise had helped to generate.



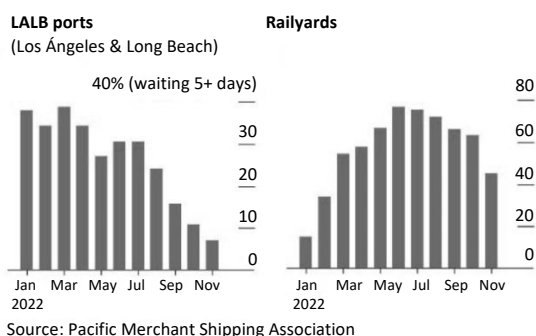
The duration of cargo ship sailings is also decreasing after their gradual rise to the peak reached in the first quarter of 2022.



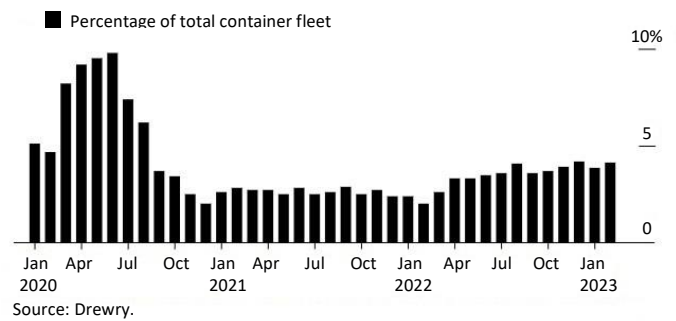
The reason for the reduction of the transit time is not because of improvements to the ships' propellers... but because the waiting time outside the port has been reduced as congestion at the destinations has eased and this has meant that the overall transit time is returning to its previous duration.



The unloading time of the containers has also been significantly reduced.



And finally, unused capacity on cargo ships has reached its highest level in two years.



On top of this unused capacity all the new capacity ordered will have to be added. In issue No. 9 of "The Internationalist Proletarian", in the article "Rales and spasms of the capitalist mercantile circulation", under the title "More in-gestation overproduction" we explained how already in August 2021 the high prices of maritime transport had led to order new ships with capacity equivalent to 20% of the active fleet. The prolongation of these prices has deepened the situation reaching 30%: "Last month, the total cargo capacity of vessels on order was equivalent to 30% of the active world fleet." (Expansión, 15-02-2023). The entry into action of this additional volume of transport vessels will further depress prices. Faced with this situation, an analyst of the bourgeoisie has an excess of sincerity:

"There is no way that carriers can allow all of the scheduled new-build capacity to arrive as planned," says Simon Heaney, senior manager of container research at Drewry. "They will have to delay, demolish, layup and void sailings to tame the overcapacity burden". (Bloomberg, 31-01-2023). And this is not unique to ships and containers, but the whole of the productive overcapacity driven at the time of shortages will produce the same effects.

The truth is that we had already read it in Capital: "the loss is by no means equally distributed among individual capitals, its distribution being rather decided through a competitive struggle in which the loss is distributed in very different proportions and forms, depending on special advantages or previously captured positions, so that **one capital is left unused, another is DESTROYED**, and a third suffers but a relative loss, or is just temporarily depreciated, etc. But **the equilibrium would be restored under all circumstances through the withdrawal or even the DESTRUCTION of more or less capital. This would extend partly to the material substance of capital**" (Capital, Book III, Chapter XV, K. Marx).

And in the Manifesto of the Communist Party also: "And how does the bourgeoisie get over these crises? On the one hand by **enforced DESTRUCTION of a mass of productive forces**; on the other, by the **CONQUEST of new markets**, and by **the more thorough EXPLOITATION of the old ones**. That is to say, by **paving the way for more extensive and more destructive crises**, and by diminishing the means whereby crises are prevented." (Manifesto of the Communist Party, K. Marx y F. Engels, 1848).

The destruction of productive forces already created: this is the only way the bourgeoisie has to try to overcome the new wave of overproduction that will follow the momentary collapse that capitalism has self-administered with the lockdowns and that has given it some oxygen and a few jolts during the subsequent resumption.