

Broken Supply Chains Will Pull America's Chains Indefinitely as Chain Reactions Occur



by Sidney Secular

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Supply chain woes continue to threaten American companies' – and therefore American consumers' – bottom lines. Higher prices and broader inflationary pressures may well cause many companies to bottom out. This situation is especially dangerous for small businesses already badly damaged by COVID restrictions. Shelves are becoming increasingly bare again making holiday shoppers nervous because we were just barely getting back to the way things were – and that wasn't all that great in the first place! Long delays imposed upon idle ships and the resultant higher shipping costs were and are “endemic” during the “plannedemic”.

Importers and retailers are especially hard hit with the smaller ones suffering most. Home Depot, Costco and other larger corporations have chartered their own ships but that doesn't help when the time comes to unload them! Of course, as in anything along a “chain,” far more than the original businesses are affected. Import reliant small businesses lacking a “stash of cash” are forced to choose between folding up or paying many times the commercial shipping rate for things that may well arrive in months, not weeks. Of course,

when there is a huge commercial event such as Christmas directing merchandising, such delays are simply unacceptable. Savvy shoppers who saw which way the wind was blowing, began their Christmas shopping last summer.

Whereas in better days, Americans might be able to rely on their government to uncork the bottleneck, today's White House is flying a white flag because they can't get a handle on the situation! Instead, they are relying on Pete "Butt-gig", the "bottleneck czar" to get things moving again, but he spends most of his time playing with his and his male partner's new baby while the worsening situation plays out. One has to wonder why a man who can produce a baby with another man is unable to overcome a situation that is not biologically impossible – but there it is!

The situation is front page and 6 o'clock news and is reported to be a FedGov priority – or at least that is the pretense! And so, the unseemly situation drags on. American manufacturers have idled plants while waiting for key parts and the prices of gas, oil, energy and basic necessities have steeply climbed. Meanwhile, commercial "goodies" – cum necessities – like smartphones and desperately desired digital devices just might not be available for gift giving in the present not-so-festive Season! Of course, Americans were originally told that these problems were temporary but now the light at the end of the tunnel is shrouded by the mists of time and the myths of Administration politics.

To add to the confusion, the "new" Covid variants, which, if they actually existed, would be getting progressively "weaker" as is the case with all flu variants according to real science, are being presented as impending deadly plagues! That is, they are being taken more seriously with every claimed "outbreak!" Of course, this is just another excuse to tighten the screws and further screw up everything in our lives including the normal deliveries of supplies, equipment and the needful gadgetry of modern life. Meanwhile, demands for

industrial parts and consumer goods have skyrocketed! Neither does it help that those Asian countries that produce most of our consumer goodies and junk are also closed down by concocted Covid calamities.

Some of the increased demand is caused by people buying more stuff than they need, as in the toilet paper crisis early in the "plannedemic!" This hoarding philosophy adds to the constriction of the supply system making the "just-in-time" philosophy that normally works if systems are efficiently run, replaced with a "just-in-case" philosophy resulting in commercial buyers doubling and tripling their inventories because consumers are doubling and tripling what they consume. Of course, shipping capacity, already inadequate, simply cannot keep up with this kind of demand. Ocean carriers have deployed every ship they can obtain including some that are not designed to carry the huge shipping containers, something that is very dangerous indeed! All of this insanity has resulted in record bottlenecks at ports, the worst problems appearing at the California ports of Los Angeles and Long Beach, that together handle 40% of US cargo volume.

Parenthetically, it doesn't help that the shipping "crunch point" is located in "very blue" California where insanity is the most prevalent commodity extant! Ships in that location are forced to lay offshore as all port space and contingency anchorages are filled and shipping containers that have been unloaded are stacked up, thus preventing the speedy unloading of further containers. Moreover, California has changed its diesel emission standards making most older trucks ineligible to participate in removing merchandise from the ports while existing truck and freight rail services are not only insufficient but inefficiently managed as well.

US importers have induced the creation of defacto warehouses that charge higher than normal "demurrage" fees for those who cannot "ship" in a timely fashion what they have stored in those warehouses. As well, truckers find that bureaucratic

port rules on hours of service, appointment times and “dual transaction” requirements – truckers have to pick up full containers at the time they drop off empty ones! – have seriously hampered the ability to clear port blockages. The final blow to the supply chain is the fact that it is impossible to find enough workers to do what can be done as many of those workers prefer being on the GovMint dole thus making them unavailable for hire. Regardless of which link in the chain is weakest, the entire chain undergoes strain and eventually breaks. Unused container capacity eventually leads to cancellations and higher prices. No White House task force or Biden czar can offer any quick fixes mostly because they are too busy mandating deadly “jobs” for all America and making concerned parents into “domestic terrorists.” There just aren’t enough hours in the day for a commie takeover and a sound economy to co-exist.

Of course, you can’t just build more ships or add more port or warehouse capacity overnight and furthermore, some of the real problems may not be open to solutions at least as our system currently exists. Longshoremen unions have used their undeniable clout to force contracts that decrease port productivity, limit work hours and job flexibility and prohibit the introduction of efficiency enhancing automation. Unions have fought efforts to supplement their work forces with non-union workers even when the latter are employed by the State. As a result of union domination, unionized port workers can make over \$200,000 a year while US ports remain among the least efficient in the world. An exception of this is the Port of Virginia which is semi-automated and thus free from major backlogs despite record volumes.

Another impediment to improvement is the anachronistic Merchant Marine Act of 1920 which requires only US built, crewed, and flagged ships to move freight between US ports. This has made coast wise shipping prohibitively expensive and put additional pressure on inland transit. The same 1920 act

also requires barges transporting dredged material to be owned by US operators, something that has inflated the costs of dredging US ports and deterring the maintenance of good shipping lanes as well the expansion of their capabilities.

There are also other and unnoticed/unappreciated problems that probably mean America's shipping crisis is here to stay without a drastic change in our present systems. For instance, there is only one crane for every 50 to 100 trucks at every port in America. No one seems to appreciate how that slows things down. Processing containers to get them in and out of a port can take up to 8 hours. The salaries paid to non-union drivers are extremely low – and because of all the excessive wait times these essential workers often earn less than the minimum wage! Add to this situation Covidiocy requirements that further retard the system, and many of these essential workers are looking elsewhere to earn a living. As if this weren't enough, there is also a critical shortage of container chassis, that is, the trailers and beds that hold the containers during the overland trip to their destination. Drivers may wait around for hours, even days for these chassis to arrive. And then, amazingly large numbers of international containers must be hand unloaded because they are not on pallets required by the cranes! Of course, it takes much more time and effort to do this and as warehouse workers receive low wages there is little incentive to hurry! Many of these same "essential" warehouse workers were laid off when the "plannedemonium" began and to date, they are not returning to work! The result? Warehouses are critically undermanned. It goes without saying that this affects the truck(freight) drivers because they cannot pick up as big a load in the same time period as before and this further backs up the entire supply chain.

When the whole package is put together, it is easy to see that people who want their stuff delivered in a timely manner are going to eventually be charged premium rates while those

paying lower rates will suffer from slower deliveries. Unless the problems of inadequate infrastructure and overblown bureaucratic red tape and union extortion are resolved, things are going to get progressively worse. Plans to open ports for processing 24/7 won't work today because truck drivers need sleep and given everything else that is wrong, they often sit around waiting to be able to fulfill their part of the supply chain. The only thing that can make a dent in the situation is to run everything 24/7 – ports, trucks, and warehouses, along with provisions for tens of thousands more chassis and much greater trucking capacity. For the whole supply chain to be in sync, every port must work at equal capacity. Any port that fails to work at maximum effectiveness, bottlenecks the entire system – and right now all portions of the system are failing spectacularly! And finally, there is nobody in a position to compel anybody in the entire supply chain to make the needed changes, and as there are no incentives to change, the situation will only get worse.

Behold our new “normal!”

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