



[Source: eurasiareview.com]

## How much longer can the U.S. continue to wage economic war on Europe, and much of the World, without a major blowback effect?

By [Jeremy Kuzmarov](#) (Posted Oct 16, 2022)

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[Empire](#), [Imperialism](#), [Political Economy](#), [WarAmericas](#), [Europe](#), [United StatesNewswire](#)

On September 26, the world was put on edge when “blasts equivalent to the power of several kilograms of explosives,” [according to a UN report](#), severely damaged Russia’s undersea Nord Stream 2 gas pipeline, an engineering marvel which had been scheduled to begin transporting natural gas from Russia to Germany before the Ukraine war broke out in February.



Massive leaks resulting from sabotage of Nord Stream 2 pipeline off coasts of Denmark and Sweden. [Source: [npr.org](https://www.npr.org)]

Suspicion of U.S. involvement was fueled by the fact that a U.S. Navy's warship, the *USS Kearsarge*, had announced the completion of work in the Bornholm area in the Baltic Sea off the coasts of Denmark and Sweden where the explosion took place, just a few hours after the pipeline had been attacked.<sup>[1]</sup>



*USS Kearsarge.* [Source: [northernfury.us](http://northernfury.us)]

Source [wikipedia.org](http://wikipedia.org)

According to blogger [Moon of Alabama](#), parts of the *Kearsarge* operation off Bornholm were dedicated to testing special underwater mine destruction technologies. Exercises had also been performed there by the Navy's 6<sup>th</sup> Fleet Task Force 68 with unmanned underwater vehicles.<sup>[2]</sup>



Lt. (Junior Grade) Chris Bianchi, assigned to Explosive Ordnance Disposal Mobile Unit (EODMU) 8, prepares mock explosives for a pierside training event during exercise BALTOPS 22 on June 10.

[Source: [seapowermagazine.org](http://seapowermagazine.org)]

On February 7, 2022, U.S. President Joe Biden had promised to put an end to the Nord Stream 2 pipeline, stating that, if Russia invaded Ukraine, then “there will no longer be a Nord Stream 2. We will bring an end to it.” When a reporter asked how Biden would do that since the project was under Germany’s control, Biden responded: “I promise you, we will be able to do that.”

What Biden did not say was that by blocking Russian natural gas deliveries, it would force Germany and other European nations to turn to U.S. liquefied natural gas suppliers instead of Russia, giving the U.S. a major victory in the “great game” of geopolitical competition and the new Cold War.<sup>[3]</sup>

## **Larger Economic War**

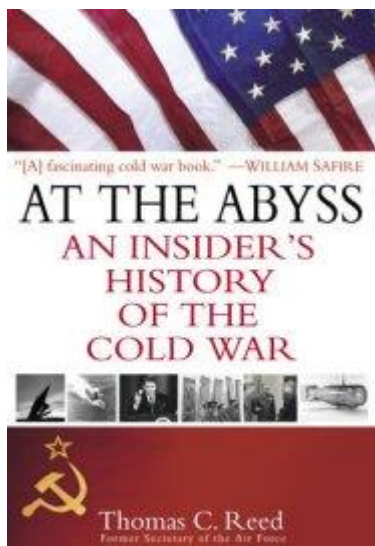
The sabotage of the Nord Stream 2 pipeline appears to have been part of a longstanding economic war carried out by the U.S. against not only Russia but also European nations.

On February 27, 2004, the *Washington Post* reported that Ronald Reagan had agreed to a CIA plan [in January 1982] to sabotage the Soviet economy by covertly feeding it, among other things, contaminated software that later caused a gigantic explosion of the Siberian gas pipeline in the summer of 1982.



Explosion of Siberian gas pipeline in 1982 which the CIA was behind.

[Source: [blogs.ncl.ac.uk](https://blogs.ncl.ac.uk)]



[Source: [penguinrandomhouse.com](https://penguinrandomhouse.com)]

This revelations was taken from the memoirs of former Air Force Secretary Thomas C. Reed, who reported that the explosion was just one example of the “cold blooded economic warfare” that the CIA waged against the Soviet Union in the final years of the Cold War.

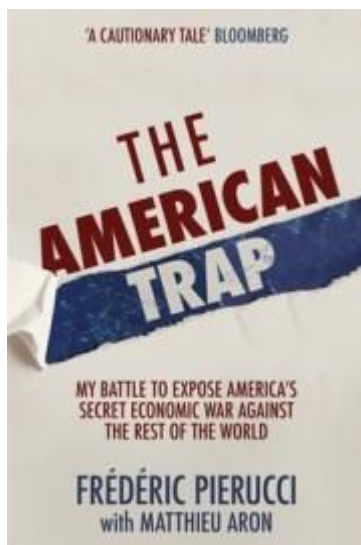
The biggest loser in the Nord Stream 2 pipeline sabotage is not only Russia but also Germany, whose ability to access cheap energy has underlain its ability to finance the Eurozone over the last decade. The biggest winner is the Anglo-American axis whose global hegemony can only be sustained with Russia, Germany and the European Union weakened.



[Source: [uk.style.yahoo.com](http://uk.style.yahoo.com)]

# Frédéric Pierucci and the American Trap

Frédéric Pierucci, a one-time executive of Alstom, a prominent French power company, gained special insights into U.S. economic warfare during a five and a half year ordeal in which he was imprisoned on bribery charges as part of a scheme by which 70% of Alstom was bought by General Electric (GE).<sup>[4]</sup>



[Source: [goodreads.com](https://www.goodreads.com)]

According to Pierucci, over the last two decades, the U.S. has succeeded in destabilizing the largest European multinationals by jailing their executives under the veneer of fighting corruption while netting billions of dollars in fines and coercing their companies to plead guilty.

Experts call these practices “lawfare,” which consists of using the legal system against an enemy in order to delegitimize it, causing it maximum damage and forcing it to comply through coercion.

Between 2008 and 2019, 30 corporations paid out fines above \$100 million to the U.S. Treasury, with the majority being European.

The threat of huge fines and long legal battles has also been used to cajole the takeover of European firms by U.S. corporations like GE while preventing them from developing closer partnerships with China-based companies.



An arm of U.S. imperialism. [Source: [greentechmedia.com](http://greentechmedia.com)]

## **Personal Ordeal**

Pierucci's personal ordeal began in April 2013 when he was arrested by the FBI after arriving in New York on a flight from Singapore where he was based. He was accused of bribery in the awarding of a contract to Alstom ten years earlier for a nuclear power plant in Tarahan on the island of Sumatra in Indonesia.

Holding an engineering degree from École Nationale Supérieure de Mécanique et d'Aérotechnique in Poitiers, France, and a Masters of Business Administration (MBA) from Columbia University, Pierucci was head of Alstom's boiler division in charge of 4,000 employees at the time of his arrest.





Frédéric Pierucci [Source: [bbc.com](https://www.bbc.com)]

In 2003, when the Sumatra power plant deal went down, Pierucci was operating from the U.S. as a global sales and marketing director for one of Alstom's power divisions.

Bailed out by Nicolas Sarkozy's government, Alstom was then undergoing severe financial difficulties and needed the Sumatra deal to avert potential bankruptcy.



[Source: [news.cgtm.com](https://news.cgtm.com)]

In Indonesia at the time, bribery was necessary to secure almost any government contract as a legacy of the Suharto dictatorship. (General Suharto was Indonesia's dictator from 1965 to 1998 who came to power in a CIA-backed coup and presided over one of the most corrupt regimes of the late 20<sup>th</sup> century).

Alstom hired two consultants to negotiate the Sumatra contract—something that Pierucci was aware of but did not initiate.

Pierucci stated that he always followed company protocol and never benefitted directly in any way from any kickbacks.

His arrest under the Foreign Corrupt Practices Act (FCPA) was purely for blackmail purposes—a signal to higher level executives that they must cooperate with U.S. dictates—or else would be jailed themselves.

Pierucci was an especially important bargaining chip because he was about to head a new joint venture between Alstom and Shanghai Electric, which posed a major threat to GE and, by implication, the U.S.



**上海电气**  
**SHANGHAI ELECTRIC**

[Source: [wikiwand.com](http://wikiwand.com)]

## **“Formidable instrument of underground economic warfare”**

The FCPA, which prohibited American companies from bribing foreign public officials, had been passed by the Carter administration in 1977 in response to public outcry over a bribery scandal involving the defense giant Lockheed (now Lockheed-Martin).

Afterwards, American corporate leaders began complaining that the new legislation severely handicapped them in export markets as other major economic powers had not adopted similar measures. Consequently, American authorities were less than zealous in implementing the FCPA, sanctioning only 21 companies, mainly second-tier ones, between 1977 and 2001.



[Source: [financialexecutives.org](http://financialexecutives.org)]

In 1998, Congress amended the FCPA to try to punish U.S. global rivals, giving the law extraterritorial reach. Now executives from foreign firms could be prosecuted so long as they concluded any contracts in U.S. dollars, or even if emails were exchanged in the U.S.

Pierucci wrote that, by one stroke of the pen, the U.S. Congress “transformed a law that could have weakened their own industry into a formidable instrument of underground economic warfare and intervention.”<sup>[5]</sup>

While in 2004, the total fines paid by companies under the FCPA were only \$10 million, in 2016 they skyrocketed to \$2.7 billion.

The 2003 USA PATRIOT Act gave American spy agencies (CIA, NSA, FBI) the power to snoop on foreign companies and their employees on a massive scale under the guise of fighting terrorism.

The Foreign Intelligence Advisory Board had earlier prioritized the collection of business intelligence,<sup>[6]</sup> and U.S. digital giants (Google, Facebook, YouTube, Microsoft, Yahoo, Skype, AOL and Apple) willingly share information with U.S. intelligence agencies and are now compelled by law to share any requested data.



[Source: [fbi.gov](http://fbi.gov)]

European companies were ultimately left vulnerable to prosecution by the U.S. Department of Justice (DOJ) without having the legal means to retaliate and prosecute U.S. businesses in return.

The FCPA had evolved, Pierucci writes, into a “formidable weapon of economic domination” and a “gold mine for the U.S. Treasury.”

DOJ prosecutors never found anything reprehensible about the practices of U.S. oil tycoons or U.S. defense giants, but targeted foreign, largely European-based, companies under the FCPA to help advance U.S. corporate power and hegemonic interests globally.<sup>[7]</sup>

## **Pierucci Is Hung Out to Dry**

Once Pierucci was arrested, Alstom's executives basically hung him out to dry to save their own skins. Never once visiting him in prison, they provided him a lawyer that seemed to act in collusion with the prosecution, and fired him for missing work.

For months, Pierucci was forced to endure life in the privately managed Donald W. Wyatt detention facility in Rhode Island, which was grossly overcrowded, kept inmates locked in their cells for long periods, and deprived inmates of sunlight, proper sleeping arrangements and medical care.



[Source: [wyattdetention.com](http://wyattdetention.com)]

## **Not Your Average Takeover**

The payoff for Pierucci's arrest came on April 24, 2014, when a deal was struck by which Alstom agreed to sell 70% of its business, its entire energy division, to GE for \$13 billion.

A CNN guest gushed that this was "an operation of unprecedented magnitude," and "not your average takeover."<sup>[8]</sup>

Before Pierucci's arrest, Alstom CEO Patrick Kron had planned to sell 20% of Alstom Transport to the Russians and create a joint venture with the Chinese in the energy sector.



Patrick Kron grew rich off the GE deal while selling

out the French national interest. [Source: [wikipedia.org](https://en.wikipedia.org/wiki/Patrick_Kron)]

By selling to GE instead, Kron found a way to “escape the clutches of the prosecutors [who were after him],” according to Pierucci, and secure favorable treatment by the U.S. DOJ.

For that Kron was awarded with an exceptional 4 million euro bonus, though he had severely compromised France’s energy independence, national security and sovereignty.

Alstom manufactured, maintained and refurbished the turbo-alternators of France’s 58 nuclear reactors, and turbines for water reactors, and played a vital role in 75% of the country’s national electricity. It also supplied the turbo-gear for France’s aircraft carrier, the *Charles de Gaulle*, and turbines for the French Navy’s nuclear submarines.



Because of Kron's deal and DOJ blackmail, the *Charles de Gaulle* was now being outfitted by a U.S.-based conglomerate. [Source: [wikipedia.org](https://en.wikipedia.org/wiki/Charles_de_Gaulle)]  
As part of the takeover agreement, GE agreed to assume all of Alstom's legal liabilities (totaling upwards of \$700 million following a guilty plea), according to Pierucci, which Siemens and other competitors could not match.<sup>[9]</sup> GE also promised to create a thousand French jobs, though actually cut one thousand jobs, according to Pierucci.<sup>[10]</sup>

## Hollande and Macron Acquiesce



Daniel Fasquelle Source [wikipediaorg](https://en.wikipedia.org/wiki/Daniel_Fasquelle)

Daniel Fasquelle, the vice chairman of the French National Assembly's Economic Affairs Commission characterized the Alstom case as "an



unbelievable hoax”; a “convenient way for Alstom to extricate itself from the legal trap set for it by the U.S. judiciary”; and “part of a pattern by which U.S. conglomerates take over companies weakened by legal proceedings.”<sup>[11]</sup> Arnaud Montebourg, France’s Minister for the Economy and Industrial Renewal, was also outraged by the GE deal and tried to engineer Alstom’s sale to Siemens which would have kept it in European hands.



Arnaud Montebourg [Source: [wikipedia.org](https://en.wikipedia.org/wiki/Arnaud_Montebourg)]

Future French President Emmanuel Macron, then the deputy chief of staff for French President François Hollande (2012-2017), convinced Hollande, however, to go forward with the GE deal.

Macron’s motivation may have been financial: According to a report by members of the French parliament, some people who heavily funded Mr. Macron’s political campaign benefited from Alstom and GE spending an extraordinary 600 million euros on consultants, financial advisers, lawyers and communications experts at the time of the takeover.<sup>[12]</sup>



French traitors? François Hollande and Emmanuel Macron.

[Source: [brief.bismarckanalysis.com](http://brief.bismarckanalysis.com)]

## **Selling the French Down the River—Out of Fear**

After the sale was announced, Christian Garnier, a representative of France's General Confederation of Labor, remarked that Hollande and Macron had "sold [the French people] down the river; [the GE deal] is a pure sell-out of our energy sector to GE. There is no industrial strategy behind this, it's merely a financial political operation, and note that I have chosen my words carefully."<sup>[13]</sup>

Montebourg suggested meanwhile that Hollande and Macron had acquiesced "because the Americans scare the hell out of them. They consider them too powerful."<sup>[14]</sup>

## A Rigged System

Pierucci found out that Alstom was the fifth company to be swallowed up by GE after being accused of corruption by the DOJ.

He also found that, in the power generation sector, virtually all of GE's rivals—including the Swiss/Swedish-based ABB and German Siemens—had been indicted and forced to pay significant fines, while not a single leading American power engineer contractor that uses GE equipment has ever been targeted under the FCPA.



PHOTO: MANDEL NGREN/AFP/GETTY GE CEO Jeff

Immelt, left, with Barack Obama. In 2011, Immelt was appointed by Barack Obama in 2011 as Chair of the President's Council on Jobs and Competitiveness. [Source: [money.cnn.com](http://money.cnn.com)]

In 1992, GE was fined \$69 million by the DOJ for "conspiracy to defraud the United States and to commit offenses against the United States in connection with a bribery scheme related to a defense contract signed with Israel, indicating that the company played dirty like almost everyone else.

The company's backing by U.S. diplomacy was evident when, in 2010, it sold the Iraqi government—installed as a result of the criminal 2003 U.S. invasion—\$3 billion worth of gas turbines even though, at the time, Iraq did

not have the capacity to either construct power plants or otherwise make use of the turbines.

## Omnipotence of American Corporate

### Power

According to Pierucci, GE's takeover of Alstom and the acquiescence of the French ruling class reflected the omnipotence of American corporate interests on French soil.



David Azéma [Source: [institutmontaigne.com](http://institutmontaigne.com)]

Today he says that most of the major law firms, audit firms, and investment banks in the Paris financial center are American, and the Alstom/GE deal was an extraordinary boost for them, adding several hundred million euros onto their bills for services performed.

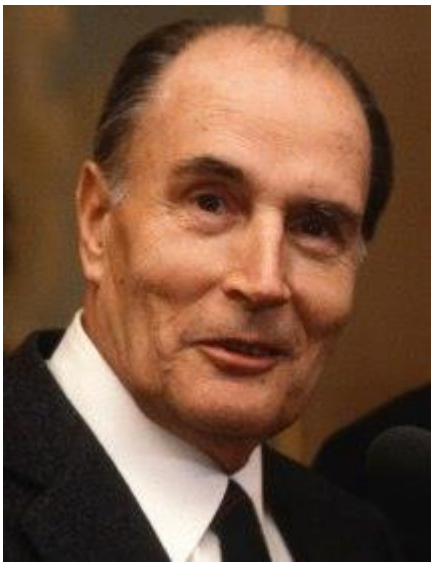
To ensure effective lobbying, these institutions recruit ex-government officials like David Azéma—formerly of the French state shareholding agency and chief negotiator in charge of managing state shareholdings in the Alstom case—who then joined Bank of America which coincidentally had advised Alstom throughout the negotiation.



Hugh Bailey [Source: [usinenouvelle.com](http://usinenouvelle.com)]

Meanwhile, one of Emmanuel Macron's chief economic advisers, Hugh Bailey, joined GE in November 2017 as "Government Affairs director," i.e., chief lobbyist, before becoming General Manager of GE in France in May 2019.

## **A War to the Death—That America Is Winning, But for How Long?**



François Mitterrand Source [wikipediaorg](https://en.wikipedia.org)

At the end of his tenure as president of France from 1981 to 1995, socialist François Mitterrand said that "France does not know it, but we are at war with America. Yes, a permanent war, a vital war, an economic war, a war without death, on the surface. And yet a war to the death."

The Alstom/GE deal and Nord Stream 2 pipeline attack reveal that the U.S. is winning the war—using the dirtiest of methods. The questions remain, however, as to how long will Europe allow itself to be held ransom, and a victim, and at what point will they band together to fight back more effectively—with Russia and China on their side?



1. After the attack, Poland's former minister of foreign affairs, Radek Sikorski, the husband of neo-conservative *Washington Post* columnist Anne Applebaum, tweeted "Thank you, USA!" with a photo of an underwater gas explosion in the area of the leak (later he deleted the tweet). [↑](#)
2. The U.S. Navy was not the only foreign force that was near the area of the pipeline damage, which was carrying between \$600 and \$800 million worth of natural gas. Moon of Alabama reported that just 100 kilometers south is the Polish naval base Kolobrzeg (the former German Kolberg) which harbors mine-laying ships and the 8th Kołobrzeg Naval Combat Engineer Battalion. Naval combat engineers are experts in blowing up anything that is under water, be it mines or pipelines. In 2021, while Nord Stream 2 was still being built, the Polish navy had interfered and endangered the pipe-laying vessels in the very same place. Russian news sources meanwhile reported that the day before the pipeline sabotage, an open report was registered in the U.S. Congress that British scuba divers conducted exercises in the area of the Bornholm depression for three days. Reports also appeared about an award given to two sailors from the Royal Navy of Great Britain for "carrying out important events in international waters." Swiss Colonel Ralph Bossard (ret.) pointed out in a study that if the Russians carried out the sabotage of their own pipeline they would have done so in the Gulf of Finland, not in waters around Denmark and Sweden heavily monitored by NATO. [↑](#)
3. Nord Stream's capacity was 55 billion cubic meters of natural gas. Bloomberg claims that, to survive this winter, Europe will have to import 40% more liquefied natural gas than in previous years. And the Americans will have to supply it. Business Insider reported in August that U.S. energy traders, capitalizing on the high prices and loss of Russian supplies, were already then making a killing exporting U.S. natural gas to Europe, with some single shipments bringing in \$200 million. The U.S. was at the time sending 60 percent of its liquified natural gas exports to Europe, which was up from less than 20 percent a year earlier. [↑](#)
4. Frédéric Pierucci, with Matthieu Aron, translated from the French by Deniz Gulan, *The American Trap: My Battle to Expose America's Secret*

*Economic War Against the Rest of the World* (London: Hodder & Stoughton, 2019). [↑](#)

5. Pierucci, *The American Trap*, 115. [↑](#)
6. CIA Director James Woolsey (1993-1995) admitted in an interview with *Le Figaro* on March 28, 2000, that the United States secretly collected intelligence against European companies, which he said was necessary to a) monitor companies that broke or potentially broke U.S. and UN sanctions; b) track technologies for civil and military applications; and c) hunt down corruption in international trade. [↑](#)
7. When Kellogg Brown & Root (KBR), a subsidiary of Halliburton, arranged for the payment of \$188 million in bribes to Nigerian leaders to secure a contract through a London lawyer, the fines imposed on the company were extremely modest and prison sentences for corrupt executives light. [↑](#)
8. Pierucci, *The American Trap*, 115. [↑](#)
9. The negotiations took place before Alstom executives pleaded guilty, raising questions as to whether GE benefited from insider information; it had been involved for months behind the scenes in Alstom's negotiations with the DOJ. [↑](#)
10. Pierucci, *The American Trap*, 303. [↑](#)
11. Pierucci, *The American Trap*, 210, 236. [↑](#)
12. Pierucci, *The American Trap*, 287. [↑](#)
13. Pierucci, *The American Trap*, 241. [↑](#)
14. Pierucci, *The American Trap*, 240. [↑](#)

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About Jeremy Kuzmarov