

The US Economic War on France

By [Terje Maloy](#)

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"France does not know it, but we are at war with America. Yes, a permanent war, a vital war, an economic war, a war seemingly without dead. Yes, they are very hard the Americans, they are voracious, and they want an undivided power over the world. It's an unknown war, a permanent war, apparently without death and yet a war to the death."
François Mitterrand, French president 1981-1995

And moreover, France is clearly losing this war. Officially, the United States and France are allies through the NATO military pact. When they in partnership instigate wars and regime changes around the world, they share the spoils. But when we look at "the hands, not the mouth", we can plainly see a long term US project to subjugate France as a great power. With the recent French leadership ideologically tied to a dead end neoliberalism, French corporations, some of them once world leaders in their field, are being picked off one by one.

So while France is one of the most ruthless powers in the world against smaller and poorer countries, she has in turn problems when being attacked by a bigger fish.

Lawfare Through the Foreign Corrupt Practices Act

In 1977, the United States introduced a law with insidious consequences, the *Foreign Corrupt Practices Act*. With the declared best of intentions, to prohibit United States companies from influencing foreign officials with any personal payments or rewards, i.e. bribes, the law has taken on a life of its own. With the clause in the law that the corruption does not require a physical presence in the US, the federal government has used its muscles to claim extraterritorial jurisdiction over all foreign companies doing any of their business transactions with US means; In particular this is the use of the US dollar as a means of trading, in practice used in all international business transactions. The frequency in the use of this law has markedly gone up for each decade since it was introduced.

If one looks at the remarkable list below, it is hard to maintain that this is not part a hostile strategy to subjugate a foreign power:

- Alstom, (\$772 million, more on this incredible story later in the article)
- [Technip](#) (fined \$300 million over Brazil, Iraq bribes)
- [Total](#), (\$398 million, 2013)
- [Societe Generale](#), (\$1.3 billion to settle allegations of breaching US unilateral sanctions in 2018)
- BNP Paribas (fined \$ 9 billion in 2014 for failing to comply with the US embargo on Cuba and Iran)
- [Crédit Agricole](#), (\$800 million, 2015)
- The nuclear power company Areva (tbd, a whopping \$24 billion mentioned!)

- [Alcatel](#) (\$137 million, 2010)
- The most recent case under investigation is the European Airbus corporation (investigation still in progress)

In addition we have things such as:

- Big agricultural losses because of sanctions war with Russia
- Non-delivery of Mistral helicopter carriers to Russia (full refund to Russia + \$2 billion in damages)
- Huge losses for French car makers, banks, oil companies because of sanctions on Iran 2012
- Huge losses for French car makers, banks, oil companies because of new sanctions on Iran 2016-

This is by no means a complete list, but in total, more than \$40 billion have been extracted in fines from European companies, often French companies (Germany being the other big punching bag), for breaches of unilateral US law or sanctions. Most of these cases have in common that they never happened anywhere near US soil.

The Incredible Alstom Case

In September 2015, after a real political-judicial thriller, the American company General Electric took control over the energy division in the French engineering company Alstom, thus creating one of the worst strategic setbacks in 150 years of French industrial history.

A decade ago, Alstom was one of France's national champions. Its boiler division was the world's leading supplier of turbines for nuclear power plants, and the company was one of the market leaders in services such as in nuclear plant maintenance. More than 30% of nuclear power plants operating today use Alstom-made equipment, including the large majority of the ones in France.

Alstom had achieved significant technological advantages over its main competitors, German Siemens or Japanese Hitachi (which later merged with General Electric). Not only the «Arabelle» turbines, which will equip future nuclear power plants using French reactors, but also power plants based on Russian VVR reactor technology, thanks to a joint venture with Rosatom. These turbines are essential to enable France to continue to be able to offer comprehensive nuclear power plant deals based on French technology for export, without having to ask for Washington's approval.

In December 2014, the French company is notified by the US Department of Justice to pay a record fine of 772 million dollars for corruption charges in Asia. At the same time as this judicial process, Alstom is bought by the American corporation General Electric, winning over the German competitor Siemens (also convicted for corruption by US courts just before, but that is a different story).

In the United States, the fusion between big companies and the state goes deeper than in most countries. Corporate profits and the government's pursuit of dominance over all rival powers are seen as two sides of the same coin. For example, the US government injected \$139 billion into General Electric in 2008 to save the company from the subprime crisis. And

when the company later set eyes on Alstom's boiler division, the long reach of the US justice system was used to further both corporate and strategic aims.

Frederic Pierucci's Story



Until 2013, Frederic Pierucci was an executive officer at Alstom. After finally being released from jail in September 2018, he is now telling his incredible story ([Figaro interview](#)) in the book «The American trap» ([English edition Nov. 2019](#)).

On April 14, 2013 he was arrested by the FBI when he arrived in New York, by order of the US Department of Justice: *"I was stopped when I arrived at JFK in April 2013, before they passed chains around my feet and hands, like a prisoner of organized crime."*

The prosecutor's office informs him that Alstom has been under investigation for three years for violation of the US Foreign Corrupt Practice Act (FCPA), that the company so far hasn't cooperated and that they now have lost patience.

As soon as I refuse to be a mole for the American justice system, they refuse my release the next day. A release on bail that had been granted to Bernard Madoff or OJ Simpson ... It's pure intimidation: a magistrate refuses my release on bail, the marshals put chains around my hands and feet and transfer me in an armored van to one of the worst US high security prisons, Wyatt in Rhodes Island.

Why him? Pierucci explains:

"I get arrested because I am close to Patrick Kron, CEO of Alstom. But above all for another reason: I had been appointed to lead the boiler division of Alstom and the public strategy was to create a 50/50 joint venture by marrying the division I headed with that of our great Chinese competitor Shanghai Electric. And as the boss of the Alstom Boiler Division, I led the transfer of our headquarters to Singapore and was appointed to lead the future alliance. But this rapprochement with the Chinese did not at all please our great American competitor General Electric who had coveted Alstom for ages..."

In August 2012, I arrive in Singapore; in November 2012 I am indicted, without my knowing it. Because the DOJ was afraid that if I knew of my indictment, I would take refuge in France and escape them. So they waited until I arrived in the United States, and I fell into the mouth of the wolf on April 14, 2013."

Pierucci is abandoned by his own bosses and colleagues, who try to save their own skin.

"But from the moment I'm arrested and imprisoned, [Alstom CEO] Patrick Kron understands that he must cooperate, because he is next on the list and he too

risks ending up in US high security jails next to psychopaths and other hit men. Therefore, from a status of non-cooperation with the US Department of Justice, it has moved to a status of full cooperation with this same department....Patrick Kron understands that the only solution for him to get by is simple: sell Alstom to General Electric. And he made contact with them via his loyal lieutenant, Gregoire Poux-Guillaume, in the summer of 2013.

It was only after a year in prison that Pierucci realized that his continued incarceration was related to this acquisition, when it was on TV that GE planned to buy Alstom, and that DOJ has no intention of letting him go. He is used as a means to keep up the pressure on the Alstom leadership.

Then, on December 19, 2014, a shareholders' meeting was held in Paris: the shareholders voted to sell Alstom to General Electric, on the recommendation of the board. On both sides of the Atlantic, everything is synchronized. The DOJ's deal with Alstom is signed the same day the shareholders approve the sale of 70% of Alstom to General Electric. General Electric, the US company, bought the energy division of the French corporation for 12.35 billion Euros (8.35 billion Euros after tax deductions). Interestingly, at the at the time the offer was made, the amount of the fine was still unknown, since it would not be revealed until six months later, at the end of December. Pierucci points out:*But what boss can get his board to sign such a blank check without knowing the amount of the fine, which could vary several hundred million? [the press talks of up to \$1.5 billion] To know even an estimate, one had of course to participate in negotiations between Alstom and the DOJ. Despite this, Jeffrey Immelt, the boss of General Electric says that he will pay ...*

For the next few years, Pierucci goes in and out of jail. Notably he is stuck incommunicado there in 2017 even though he is eligible to be transferred and serve the last part of the sentence in France. He meets all the criteria, but the DOJ refuses the transfer. *Because at the same time, a parliamentary commission of inquiry on the acquisition of Alstom by General Electric opens in Paris and the DOJ did not wish to see me questioned by our deputies.*

Pierucci is devastating in his judgement:

The dismantling of the Alstom group with the complicity of the French state and some high political leaders at the time who, instead of preserving this industrial jewel from General Electric's predation, preferred to give in to American pressure by selling one of the pillars of our energy independence that France had taken half a century to build and which was the envy of many of our foreign competitors.

The Leadership Is Well Rewarded for the Magically Disappearing Sovereignty

What was the role of Emmanuel Macron – appointed minister of finance in August 2014 – in the sale? It is worth remembering that Macron was chosen a '[Young Leader](#)' in 2012 by the French-American Foundation, four years before he became president. The Young Leader program has as its stated purpose to ~~grow~~ foster "*a strong network of transatlantic leaders... The program takes small groups of carefully selected up-and-coming leaders in government, business, media, military, culture, and civil society*" [...] we see the 'magic' in the connections that are formed." While Macron realized what was going on with Alstom, having stated: "*On a personal note, I was myself convinced of the causal link between this*

investigation and the decision of Mr. Kron, but we have no evidence ...” he also said, when he worked as presidential advisor in 2014 that “it is not legitimate that we intervene, we are not in a controlled economy, we are not in Venezuela”.

Alstom CEO Patrick Kron left the company with a bonus of 4 million Euros and a retirement cap of 10 million Euros, and is now head of the private equity fund “Truffle Capital”. Despite pleading guilty in December 2014 to having paid 75 million dollars in bribes, no investigation has been opened against him in France. Kron denies he ever was pressured.

Another central actor in this intrigue, Hugh Bailey, was Emmanuel Macron’s industrial affairs advisor when he oversaw the sale of Alstom’s Energy business to General Electric. He was appointed general manager of General Electric France on April 22, 2019.

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