



## Introduction

The rise of an unstable Sino-American duopoly, controlling most of the world's economic and strategic power, can it lead to high-intensity conflicts on a fairly close horizon ?

The United States is organizing to curb China's rise to Xi Jinping's China-led economic and strategic leadership. Thus, they reduce the access of Chinese products to their market and considerably limit Chinese direct investment in the United States. The trade war between them really began only on July 6, 2018, when they imposed tariffs of 25% on annual imports of 34 billion dollars<sup>1</sup>. Other measures, which focus on even greater trade flows between the two countries, although still weak globally - for the moment - have followed or are announced. After a first slowdown in the economic slowdown, all the effects of this conflict will be felt in 2019 and the following years. The two countries find themselves in a classic conflict of leadership, the same that opposed Athens and Sparta in the fifth century BCE - the Peloponnesian War, 431-404 BC. J. - C. -, Germany and the United Kingdom after the French defeat of 1870, or the Soviet Union and the United States from 1945 to 1991. It is the conflict which leads the domination of the world. The potential for global conflict between

these two countries, fascinated by Putin's fascist elites and the European media, is poorly measured on the European continent, while non-oil Russia is an economic dwarf. Each of the two giants - China and the United States - wants to dominate Asia economically and militarily, to establish itself as the world's leading economic and digital power by 2025 and to assert itself as the dominant power in Africa and Africa. Africa. in Latin America. Europe is in fact the closed field of their confrontation, today economic and potentially military. A Europe pitifully disunited by its strategic objectives and political values, which trembles at the prospect of Donald Trump's next tweet. Both Goliath are competing in the fintechs (finance on the Internet and especially on smartphones), where China has taken the lead, and in artificial intelligence, where they will soon be on par. They graze in the South China Sea, a frigate armed with vengeful missiles. China wants to appropriate this sea that the United States wants to keep, rightly, open. They are looking into the European digital market that Chinese equipment manufacturers have already partially equipped in 4G and soon in 5G. They are defying themselves in space, which Trump wants to keep American while the Chinese want to colonize it. The friction points are too numerous for there to be no spark in the short term. And when the United States needs their allies the most, they stand up and crush their hands! Canadians and Mexicans were outraged at being treated as economic aggressors threatening the security of the United States during the renegotiation of the North American trade agreements finalized on September 30, 2018! Japan is angry at the ban on importing Iranian oil, practiced with impunity by China! The Indians are surprised that their great strategic ally against China can tax their products! Trump has explicitly stated repeatedly that he wants the EU to be dissolved and has twice called into question the "sanctity" of Article 5 of the North Atlantic Treaty, which obliges all members of the European Union to join the Atlantic Alliance to help one of them. if attacked. But Russia has never attacked a country protected by Article 5. Does it give carte blanche consciously or unconsciously to Putin to swallow a country of Central Europe? At the same time, Trump appears with dictators like Kim Jong-un, in June 2018, whom he publicly describes as "intelligent and funny", forgetting that he keeps his people in an outdoor concentration camp. At the press conference following his meeting with Vladimir Putin in Helsinki on July 16, 2018, he said he believed in Putin when he said he had not intervened in the 2016 US presidential campaign. American secrets have already identified twelve Russian agents suspected by the FBI of hacking the computers of the National Democratic Committee. A few days ago, in a tweet, he attributed responsibility for bad Russian-American relations in the United States.

Trump "knocks" on his allies, like Angela Merkel or Theresa May, and incenses the leaders of authoritarian or dictatorial regimes. The reactions in the United States are commensurate with Trump's mistakes. On the evening of the meeting with Putin, former CIA director John Brennan said the US president's attitude was "treasonous" while the Democratic opposition leader Chuck Schumer tweeted: "The White House is now faced with one grim question: what can push Donald Trump to put Russia's interests above those of the United States? Paul Ryan, leader of Republicans in the House of Representatives, was clear: "There is no doubt that Russia has intervened in our elections and continues to try to undermine democracy at home and abroad. Faced with this bronca, Trump awkwardly apologized in the hours following his meeting with Putin. The progress of the Sino-US duopoly must be measured in terms of economic and numerical, military and diplomatic power, and global influence. In 2018, the cumulative GDP of the United States and China in terms of market value was 40% of world GDP (24.5% for the United States and 15.5% for China). These two countries accounted for 55% of global military spending (39% for the United States and 16% for China). Also in 2018, these two countries together accounted, in terms of market capitalization, for 80% of global unicorns (start-ups with a market value greater than \$ 1 billion) and held more than 95% of global digital platforms. If the European Union does not wake up, the United States and China will represent, in 2025, about 41.5% of global GDP and 60% of military spending. They will totally dominate the digital world, the fintechs and artificial intelligence, of which they are both world leaders. And these two countries are competing to dominate the world. The risk of direct military conflict between China and the United States will peak in less than five years! Is Europe setting in order of battle? It is the opposite that can be observed on this Old Continent torn apart, with divorces north-south and east-west in the European Union, despite announcements of small increases in military spending. We will show that the risk of a new world war will peak in 2022-2023, which the European ostrich does not want to hear.

While China is progressively closer to the United States in terms of production of goods and services, digital and military power, and innovation capacity, it still lags far behind in terms of household consumption, to the extent that accounts for four-fifths of GDP in the United States and less than half in China. As a result, in 2018, the share of world consumption of goods and services in dollars is 29% for the United States and 10.25% for China, a China / United States power ratio of 35%. consumption, while it is 63% in production! Hence the Chinese external surplus and the American external deficit. Contrary to what Donald Trump says, the US trade deficit is not the result of tariffs between developed countries, but of excess consumption of the United States in relation to its production of goods and services.

Nevertheless, the Chinese market is not open and China has been plundering Western technologies for forty years. In this context, the United States is right to demand the opening of Chinese markets and wrong to bang on their closest allies especially when their rivalry with China for world leadership is exacerbated! The United States will pay a heavy price for the crushing and humiliation inflicted on their secular allies. This is the blind spot of aggressive policies by dictators, enlightened or populist: at first, it's always good! In 1935-1938, the Germans were delighted! After his intervention in Manchuria in 1931 and the extension of the conquest to China, the Japanese people were thrilled! Following the capture of Kuwait by Saddam Hussein's troops in August 1990, the Iraqi people were proud! And then everything goes wrong. Germany, Japan and Iraq were crushed. The United States will probably not be crushed, but they stop, with Donald Trump, to be the "good" gendarmes of the world to become the first risk factor. Wanting to rule the world by force rather than leadership will simultaneously lead to weakening the United States while making them lose their legitimacy.

In 2018, the GDPs of France, the United Kingdom and India are comparable (around 3.3% of world GDP for India, 3.2% of world GDP for France and the United Kingdom) but that of Russia accounts for only 1.8% of world GDP. Excluding energy, Russian GDP is around 1% of world GDP, the level reached by the Netherlands. Russia's military budget represents about 4% of world military spending. Russia is an economic dwarf with 4,350 nuclear warheads. Russia is still dangerous for the disarmed European Union. It conducted its most important military maneuvers in September 2018 in the military regions of the center and east of the country for forty years, mobilizing about 300,000 men, 1,000 aircraft, two Russian naval squadrons and all its regiments. China has participated in these maneuvers as part of the China-Russia rapprochement that provokes a clumsy US policy. The European Union is today unable to conduct comparable military exercises. In joint maneuvers, France and the United Kingdom could mobilize up to 80,000 men and 150 aircraft. The United States has 3,800 nuclear warheads, China and France about 300 each, the United Kingdom two hundred, India, Pakistan and Israel about one hundred and fifty each. North Korea would have a little more than fifty. China has helped Pakistan acquire nuclear weapons to destabilize India, with financial assistance from Saudi Arabia, which is likely to own thirty to forty of the nuclear warheads stored in Pakistan. These heads will be transferred to Arabia if Iran adopts the nuclear weapon. The direct comparison between China and Russia is enlightening. China's GDP is eight and a half times Russia's GDP, with China's military spending almost four times higher than Russia's, while Russia has fourteen times more nuclear warheads than China. It is that the rise of Chinese military forces is recent and



accelerating, while Russia still benefits from the Soviet military heritage. In addition, Putin has modernized at great expense the Russian nuclear force during his eighteen years of "reign". But by 2025, the balance of power will clearly be in China's favor and Putin knows it. It should be noted that France and the United Kingdom have a combined GDP of 6.4% of world GDP and together hold 500 nuclear warheads. These two countries also have significant and experienced conventional military forces, although they have suffered repeated budget cuts over the past decade, just as the United States, China and Russia were rapidly modernizing their armies. It is clear that even if the Brexit is finalized, with an effective exit from the United Kingdom of the European Union, a military and strategic alliance between France and the United Kingdom still has the means to weigh on world affairs. But, without any effort to modernize their military apparatus, these two countries will be marginalized after 2025. The commitments to modernize their armed forces made by France and the United Kingdom are tragically insufficient. Compared to the mobilizable military capacities mentioned previously, a doubling in seven years is a vital necessity. Xi challenges China's power practices and carries out risky internal and external policies for his country, just as Trump alters government practices and introduces new strategic risks to the US by undermining the foundations of the international order and the multilateralism that Americans had spent more than seven decades building. The symmetry of the breaks introduced by Xi and Trump is fascinating in that they have each become the first strategic danger for their own country (see Chapters 1 and 2). The Sino-US rivalry in the global digital revolution, which is reshaping the balance of power between nations, is incredibly harsh (see Chapter 3). Trump is sometimes described as the president who keeps his promises and who could be re-elected in November 2020, because the adoration he provokes in part of the American people is commensurate with the execration he unleashes among other voters. US and outside the United States, particularly in US allied countries<sup>2</sup>. He likes to slap and humiliate them as a schoolboy might want to excite his asses. It will be interesting to see in November 2020, in the next presidential election, what American voters will remember from Trump's first term.

Trump wants to make their greatness in the United States: make America great again. He wants to govern the United States in the sole interest of the United States, which he believes the moderate American Democrats and Republicans as well as the European and Asian allies can not even conceive, the very ones who sometimes fight the real interests "of the United States. But what interests are they? Trump does not look to the future. His thought is not dynamic but static. He does not imagine the numerical power of the United States, which he even fights, because he hates the "liberal entrepreneurs" of the New Industrial Revolution,

who nevertheless create the American power of tomorrow. Trump lives in the past of the Second Industrial Revolution: he is the Tartarin of the Appalachians, the conservative heart and coal of the United States. Trump wants to restore the heavy industries of the 1960s when steel and coal were the pride of the Americans: this is the central reason for his withdrawal from the Paris agreement on the climate, which was negotiated by, according to him, "anti-American leftists". The latter would like to prevent the United States from regaining its industrial pre-eminence, not the one they actually have in the New Industrial and Digital Revolution, of which Trump mockingly mocks, but the "real industrial power", the one measured in millions of dollars, tons of coal and steel and millions of cars sold. Hence the rise in tariffs on steel, aluminum and automobiles, and the weakening of environmental regulations on the production and use of coal. Trump does not have a five-year vision of the future that anticipates strategic conflicts with China and consolidates its backside in preparation for future shocks. If he had it, he would hurry to strengthen the American continent to make a glaze against China, push for the emergence of a hard core of power in Europe on which to rely to counter China in Europe and in Africa, and finally reach out to all Asian countries - India in the lead - who fear the assertion of Chinese power. Instead, it "antagonizes" Canada, Mexico, Germany, India, etc., by making friends of the United States suspicious or furious with them. The reform of the trade agreements between the United States, Mexico and Canada will leave its mark, beyond the agreement reached on September 30, 2018, given the humiliations inflicted on Trump's US partners. Trump lives in the immediate future with a repository of the 1960s. He makes "deals" here and now whose key element, he must appear the winner. He is the head of the playground. No one should even think of challenging his preeminence. Moreover, as the world's largest consumer (29% of the world's consumption), it negotiates with its suppliers and wants discounts. It is clear that he will get them and fools will applaud. In so doing, it destroys the normative power of the "indispensable nation" (see Chapter 5). "Normative power" since 1944, because for seven decades the United States has written the norms and rules of the international economic and strategic life and multilateralism, the ones imposed on everyone, including their enemies! "Indispensable nation" since 1917, because America symbolized democracy and freedom, stability and respect for the word given: even if it was not perfect, it was still infinitely less bad than communist and fascist dictatorships, or more recently the Maduro diet. Who understands in the Appalachians what the "indispensable nation" meant for all democracies since 1917 and the importance of being or not being, since 1944, the normative power of the world in the interest of the United States? United ? Normative power, indispensable nation, multilateralism: only "empty" words of the "bastards" of New England, Silicon Valley and Old

Europe, according to Trump. Coal miners are respectable people, but is it in the US interest to leave the Paris agreement to favor the most polluting source of energy on their own land? Trump wants to export more oil, steel, coal, soy and automobiles and import fewer German and European or Canadian cars. With every concession he gets by force today, he weakens the United States in their five-year existential strategic battle with China.

There is yet another policy to reduce the US trade deficit without the need to give up the hard-won titles of "normative power" and "indispensable nation": reduce consumption in the United States to invest more in infrastructure and urban renewal, preservation of the environment and new technologies. Growth would fall slightly during the transition period from a growth model through consumption to a sustainable growth model, but the external deficit would fall very quickly. The transition would take from three to five years. In other words, three to five centuries for Trump. Meanwhile, Xi is busy with the rise of the Chinese navy to take control of the South China Sea before seizing Taiwan, by force if necessary. Artificial intelligence allows him to build a system of "social credit" that will soon enter the minds of 1.4 billion Chinese (see Chapter 2). Big Brother is a child compared to Big Xi. A Big Xi that the Communist Party and the Chinese media have sold for five years to Chinese public opinion as a "living god". A living god, both a national superhero and the only statesman capable of making enlightened decisions on a global scale! Because of this, and for his own fault, for having organized this dictatorial propaganda as ridiculous as it is choking for the Chinese, he is not entitled to the slightest error, be it in the commercial war with the United States or at sea. Southern China. The clans of Chinese power, which he has muzzled, are waiting for their revenge. Sorcerer Apprentices. You said sorcerer apprentices?

The great missing from the global strategic games is obviously the European Union, which should de facto twenty-eight countries until 2020, the United Kingdom regaining its effective independence in January 2021. The European Union is a giant who ignore and more precisely an unorganized mass power. Apart from trade policy, the Union symbolizes archaism in terms of strategy and powerlessness in international matters against China and the United States, but also against Turkey. The Treaty of Rome, incorporating its subsequent amendments, imagined the construction of Europe on the principle of competition, not only on the markets for goods and services, which is virtuous, but also by the tax and social standards, which is criminal politically and strategically, because there is not and will never be real and lasting solidarity between countries engaged in unbridled tax and social competition<sup>5</sup>. In addition, divorce has worsened between Eastern Europe and Western Europe over how democracy works and its objectives<sup>6</sup>. Emmanuel Macron has tried to give the euro area a capacity for budgetary action, following his speech on Europe delivered at the

Sorbonne in September 2017. If he obtained an agreement from Germany at the end of in June 2018, he failed to convince the other countries of the euro area and the European Union, a few days later, during the European Council which was to consider this proposal. The project was sent back to a new evaluation at the end of 2018, all the more haphazard because some European heads of government have said publicly that they do not understand the purpose of this budget. We already know that, even if it is created at the end of 2018 or in 2019, it will be small compared to the stakes. How to explain this semi-failure? If a euro area budget is needed, it is not to help countries that do not balance their public accounts, but to allow Europe to catch up in the New Industrial Revolution. This is the fundamental mistake made by Emmanuel Macron: he proposes a budget of the euro area for an unacceptable reason by the north of Europe instead of proposing one to redo Europe a great power. This incomprehension of the New Industrial Revolution, despite his commercial speech on the start-up nation, is reflected in his policy in France: cumulatively, he will squander 60 billion euros to remove the housing tax over time of his quinquennium when he promised to invest only 1.5 billion euros in artificial intelligence. With the same envelope, it would have been better to put 11.5 billion euros on a targeted reduction of the housing tax and 50 billion euros on artificial intelligence and robotization - digitization of our productive apparatus. In this regard, the proposal made in July 2018 by Peter Altmaier, German Minister for the Economy, to create a strategic Franco-German player in artificial intelligence and autonomous cars must be implemented quickly with an annual budget of 10 billions of euros after three years to allow Europe to catch up in these decisive technologies for the near future. Both countries should create a common 5G network. In addition, the euro area budget should not be part of the European Union, but rather a core intergovernmental body of countries accepting decisions by a qualified majority and the introduction of minimum tax and social standards if you want go fast and succeed. It is therefore urgent to clarify the French government's proposals by incorporating Altmaier's proposal. Could Europe help rebuild the world order? Yes, but not in its present form. Could a new world conflict break out by 2025? The answer is yes. We will even be able to evoke the battlefield, the weapons used, the destroyed territories, and give the probable date of the outbreak of the conflict.

1. These bilateral taxes are in response to US general taxes of 25% on steel imports and 10% on aluminum taxes that affect US allies (European Union, Canada, Mexico, etc.) June 1, 2018. These taxes were applied to an import base of \$ 50 billion in August at a rate of 25%, then an additional \$ 200 billion in September 2018 at an initial rate of 10%.
2. Mass demonstrations against Trump's visit took place in the United Kingdom in July 2018, to the point that the US president was unable to travel to London. All his meetings with the Queen and the Prime

Minister took place outside the British capital. 3. The latter degrades Venezuela and fleeing its own people by millions in neighboring countries asphyxiated by these massive arrivals, while remaining admired by some European parties and politicians! ... According to the UN, about 1.9 million Venezuelans have left their country since 2015 (Les Échos, October 2, 2018). 4. The most amusing thing is that he leads his battles for productions of the Second Industrial Revolution with tweets and that he multiplies the public orders to buy American armaments stuffed with artificial intelligence, which is at the heart of the Third Industrial Revolution. Above all, do not tell him about it ... He's watching his favorite animators on TV. Those who send back the image he wants to have. 5. See my book: Dare the Europe of Nations, Editions de l'Observatoire, 2018. 6. See Chapter 4.

## **FIRST PART**

### **TRUMP AND XI AGAINST THE HISTORY AND INTERESTS OF THEIR OWN COUNTRIES**

In this particularly nationalistic moment in contemporary history, Trump and Xi might well defend the interests of their respective countries while being part of their history. In reality, and Trump and Xi are leaving the historical trajectory of their own countries and are blasting their strategic interests. It is essential to understand the ruptures introduced in modern American history by Trump and in Xi's post-Mao history of China to measure the risks these two leaders pose to world peace. Moving away from Deng Xiaoping's policy of caution, Xi Jinping expresses the quintessence of the Jacobin Marxism of China, a "Totalitarian Terror" trend. Not only does Trump fracture the foundations of American normative power, but, worse still, he moves the United States away from its allies when they need it so badly. Instead of rendering desirable the "indispensable nation", it expresses the brutality of American capitalism, utilitarian and domineering, which is rejected not only by America's allies, but also by a growing part of the American people and especially the middle classes. whose standard of living has stagnated for a quarter of a century.

## **CHAPTER 1**

### **Trump deconstructs the normative and strategic power of the United States**

In July 1944, at the Bretton Woods Conference, the Americans helped to build a new world monetary order. In the following years, they founded a strategic, economic and political, commercial and legal order that will be imposed on the entire planet, even the enemies of the United States. Multilateralism, this system of rules negotiated and implemented in common, is the fruit of that American order which made the dollar the currency of the world and the American way of life the aspiration of the world middle classes. In the spring of 1945, the United States was the leading economic, political and military power and the undisputed leader of the so-called "free" world that reunited liberal democracies. The rest of the world was divided between the communist world, that is to say the Soviet Union and its allies, and soon China - the Chinese Communist Party, created in Shanghai in 1921, took power in 1949 - and Third World. US leadership on the planet held steady until 2016, before it began to falter as a result of a loss of benchmarks from within America. For Trump, multilateralism is the wrong thing to fight while bilateralism must allow it to negotiate deals bringing immediate gains to Americans, whatever the disadvantages in the medium term. Trump is deconstructing the foundations of the strategic and normative power of the United States, apparently without understanding what he is doing. The Chinese government, on the other hand, fully understands what is at stake and occupies the ground vacated by the US Administration.

### **The multilateral system built by the United States**

Let's analyze, in this section, the construction of the dominated world economic order by the United States.

#### **ECONOMIC STANDARDS, MONETARY AND COMMERCIAL: AN AMERICAN WORLD ECONOMIC ORDER**

While the currencies of the great countries were defined in gold or silver since the Renaissance, it was not until 1873 that they all refer to gold. The monetary system of the gold standard, characterized by currencies having fixed parities with respect to gold and therefore between them, or Gold Standard, is then complete. It will last only one century and be eclipsed. With the First World War, the currencies of the belligerent countries, in particular France, the United Kingdom and Germany, cease being convertible into gold while these

countries accumulate debts to finance the war effort. They are trying to restore gold convertibility after the war. The United Kingdom and France succeeded respectively in 1925 and 1928, but Germany experienced a succession of monetary and political crises during the 1920s. The currencies not directly convertible into gold, after the First World War, could be defined in relation to currencies themselves convertible into gold as decided by the conference of Genoa in 1922. Thus appeared the gold exchange standard or Gold Exchange Standard. But the crisis of 1929 and the devaluation of the pound sterling in September 1931 swept away these precarious arrangements. The Second World War ended up causing the collapse of the world monetary and financial system. When it appeared in the spring of 1944 that the Allies would win the war, it was necessary to think of laying the foundations for a new world monetary system. This was the focus of the Bretton Woods Conference in July 1944. The United States was at the height of its power generating half of the world's GDP and holding nearly 70% of the world's monetary gold stocks. The dollar was the only currency convertible into gold.

America triumphed on the European and Asian battlefields. After Bretton Woods, all the currencies of the countries that supported the new monetary system were convertible into dollars, which were themselves convertible into gold. This was the Dollar Exchange Standard. The United States dominated the economic, monetary and financial world. A guardian of this system was created: the International Monetary Fund (IMF), operational on 1 March 1947, to analyze the economic policies of the Member States and to propose changes in dollar exchange rates when a change was necessary<sup>1</sup>. Reconstruction in Europe, in a "cold war" context, was hampered by the lack of capital. In June 1947, US Secretary of State Marshall proposed a European Reconstruction Program that arranged substantial financial transfers from the United States to Europe from mid-1948 to mid-1952. This Marshall Plan helped to speed up the reconstruction of the United States. countries of Western Europe, because the USSR had forbidden countries under its control to participate<sup>2</sup>. The rejection of the Marshall Plan by Eastern Europe in 1947 is considered the beginning of the Cold War. At the same time, the United States laid the groundwork for the reopening of international trade after the trade war that raged in the 1930s and contributed to the outbreak of the Second World War. The General Agreement on Tariffs and Trade (GATT), the General Agreement on Tariffs and Trade, was signed on 30 October 1947 by twenty-three countries. The aim was to promote free trade by introducing the principle of non-discrimination and reciprocity leading to the most-favored-nation clause - a country which grants a commercial advantage to another member country of the agreement must extend to all other countries of the agreement. The GATT was replaced by the World Trade Organization (WTO) on 1 January

1995, which has more than 160 members and observers. China joined the WTO in December 2001, which greatly boosted its economic growth. The Group of 20, or G20, is a forum for international cooperation, where countries are represented by finance ministers, which was created in 1999 after the succession of financial crises in the 1990s.<sup>3</sup> Thus, in the early 1950s the dollar was the undisputed foundation of the international monetary system while the United States had reshaped the economic, monetary and financial order of the so-called "free" world, including most of the then IMF and GATT member countries. The United States has defined international trade, monetary and financial standards from 1945 to 2016. They have reshaped the multilateral system even though it must be fully realized that this multilateralism was part of the international order dominated by the United States, who were the soul and the guardian.

## REGIONAL AGREEMENTS UNDER AMERICAN CONTROL

To consolidate the global trading order to their advantage, the Americans have negotiated more focused but more ambitious trade deals. In December 1992, they concluded a North American Free Trade Agreement (Alena) with Canada and Mexico, which came into force on January 1, 1994, covering half a billion people. The Alena, Nafta in English, aims to replicate the European single market by creating an integrated market for goods and services, but without the political integration implemented in Europe.

Then the United States wanted, in the face of the rise of the Chinese power in the years 2010, to negotiate a Trans-Pacific Partnership Agreement, simply called Trans-Pacific Partnership (TPP). Twelve countries are parties to the TPP. The TPP was signed on February 4, 2016 after turbulent negotiations. The TPP was to have 800 million inhabitants and 40% of world GDP. The TPP contains thirty chapters that organize the reduction of tariffs (a gradual decline of 98% of tariffs between member countries) and the strengthening of intellectual property rights, labor law and environmental law, access to public procurement and investment protection. China, a member of Apec, is not banned a priori from TPP, but the provisions on intellectual property rights, labor and environmental law, access to public procurement and protection of investments are directly aimed at it, as it is expected to significantly modify its internal laws to comply with the TPP.

In 2016, South Korea, Thailand and the Philippines were keen to integrate this strategic agreement, which aimed to force China to change its domestic law and business model to access it. These fifteen countries could have together changed the balance of power in Asia to the detriment of China and to the benefit of the United States. But this agreement was



blocked in January 2017 by the new president, Donald Trump, who clearly did not perceive the exceptional strategic benefit that the TPP to fifteen would constitute for the United States against China. Even the temptation of populism, which aims to simplify the issues to the point of obscuring them, can not justify a decision so harmful to the interests of the United States. We'll come back to this point.

#### CLIMATE AGREEMENT

Adopted on December 12, 2015 in Paris and signed on April 22, 2016 in New York, the Paris climate agreement brought together 196 countries in the framework of the COP21 resulting from the United Nations Framework Convention on Climate Change. It came into force on November 4, 2016. The first text developed by all countries in the world, it aims to oblige member countries of the Agreement to reduce greenhouse gas emissions to contain global warming. below 2 degrees Celsius above pre-industrial levels. This agreement would not have been possible without the United States' commitment to it, forcing China to rally behind it. A careful analysis of the US negotiating positions in the preparations for the Paris agreement shows that the US was not initially in favor of the initiative. But China producing much more greenhouse gases from the 2010s than Americans - and soon more than twice - the United States wanted, by helping France succeed in the negotiation of the Treaty of Paris on the climate, both promote the growth of their clean tech companies and especially hinder the rise of China. The United States has always favored the development of an open international order that benefits everyone, but especially them. This constant policy has obviously benefited from the strategic non-existence of Europe, whose main countries, outside of Gaullist France, have always liked to be transformed into "doormats" for the big American feet.

#### ACCOUNTING, LEGAL AND NUMERICAL STANDARDS

The United States not only dominates the global economic, monetary, and financial order, it also shapes international accounting, legal, and numerical standards. The four major global financial audit firms are Anglo-Saxons of Dutch origin, auditing and consulting, with nearly 200,000 employees. PwC, of English origin, is the fourth giant in auditing and consulting, and not the least with more than 220,000 employees. The four firms together have 850,000 employees, operate in more than 170 countries, and are the auditors of the world's 30,000 largest industrial and financial groups, which produce one-third of the world's GDP and account for two-thirds of international trade. These four firms are notably the auditors of all major European industrial and financial groups and concentrate in their databases highly

sensitive information on the strengths and weaknesses of all these groups, information that always ends up in the computers of the major power plants. American intelligence. This information is used to destabilize European groups that would hinder US industrial and financial groups in their domination of key sectors of the global economy, including defense, finance and health. The European Union has never been able to foster the development of large European audit firms with a global vocation, because the European bureaucracy has never been able to conceive, let alone lead, a global strategic policy. The European authorities have never understood the competitive advantage that the United States derived from their dominance of the major auditing and consulting firms and their pre-eminence in the setting of international accounting standards, because they analyze all questions in terms of competition and not power or independence. The Treaty of Rome is based on the principle of competition and the eradication of power, because the negotiators of 1956-1957 wanted to avoid the repetition of the wars of 1870, 1914-1918 and 1939-1945. The "little problem" of the Europeans is that the world has changed completely in six decades ... This European negligence in understanding the strategic importance of trades called the figure, (accounting and financial audit) is doubled with the same ignorance the importance of the legal norms dominated by the major American law firms. The top five US law firms dominate the business of global law firms and the top 100 law firms in the world, nine-tenths are Anglo-Saxon and three-quarters are American. If European law resists by its legislative system and its courts, business law in Europe is submerged by Anglo-Saxon law firms. If we distinguish between civil law, criminal law and business law for globalized companies, the latter is dominated by Anglo-Saxon norms and practices.

But often, in a contract, the one who holds the pen says the right and sets the balance of power. In numerical order, if Gafam (Google, Apple, Facebook, Amazon and Microsoft) compete with BATHX (Baidu, Alibaba, Tencent, Huawei and Xiaomi) in the Chinese-dominated part of Asia, they control almost totally Europe, all of the Americas, Africa and the part of Asia that is wary of China (India and Japan). Gafam accumulates data on companies and citizens in these countries and determines the evolution of digital systems, media advertising and helps to shape the political and cultural perceptions of the populations of these countries (see Chapter 3).

The United States has thus been the instigator or the key player in all initiatives to create an economic, monetary and financial, and even climatic order open to all from 1945 to 2016, before the arrival of Donald Trump to power, in January 2017. This US-controlled multilateral order was a phenomenal lever of power for the United States and will remain so if Trump fails to totally destroy it. This constant ordinal policy of all the American

Administrations for more than seven decades - through the creation of a regulated world order - made it possible to standardize the world by promoting the transparency of the action of the States and the companies, by setting legal standards labor, environmental law and the protection of intellectual property and international investment. By reducing tariffs and opening markets to trade, this policy has led to the largest reduction in poverty on the planet for three millennia. Admittedly, not everything is perfect: the reciprocity of market opening is not guaranteed for European and American companies in China, India and many other countries. It is not completely guaranteed for European companies in the United States while Americans, like the Chinese, "wander" wherever they want in Europe. Poverty has not completely disappeared and social dumping is a reality that must be vigorously countered. But by creating an open international order, the United States has contributed more than any other country to global prosperity. Naturally, we must avoid any naivety and the Americans used this open international order to destabilize the Soviet Union until its collapse, in December 1991, and to block the rise of a real European power based in particular on the United Kingdom, the Netherlands and to a lesser extent Germany to prevent the creation of a United States of Europe. What the Americans did not anticipate was that by letting China enter the WTO in December 2001, they would bring the wolf into the fold without really forcing it to open up its economic and political system. counterparty. And this, largely under the influence of the emotions of September 11, 2001 and the apparently friendly reaction of China to this event. The TPP aimed to repair this strategic error. Certainly, the American monetary power has crumbled. In August 1971, Richard Nixon announced the "temporary suspension" of the gold convertibility of the dollar, a suspension that will prove definitive<sup>7</sup>. But despite the end of the Dollar Exchange Standard in 1971-73, the United States remains the world's leading financial and monetary, legal and accounting power. It is fascinating to note that while the United States has created a world order for them, Trump is convinced that the rest of the world operates the United States. In fact Trump wants to increase the benefits that the United States derives from the world order that serves them. The problem, when a dominant pulls the rope, is that it can cause unanticipated reactions. It can break the acceptance of the American order by the other nations of the planet.

The American strategic order

Following the military victories against Germany and Japan in 1945, the United States created a new global strategic order through alliance systems.

POLITICAL AND MILITARY TREATIES

The American monetary and financial order is part of an international diplomatic order symbolized by the United Nations (UN), created in October 1945 and headquartered in New York. The mission of the United Nations is to contribute to the building of a global rule of law for peace and economic and social progress. The United States is dominant in the United Nations. The North Atlantic Treaty Organization (NATO) was created by the North Atlantic Treaty of 4 April 1949. The twelve founders have been joined by many countries and NATO has twenty-nine member countries in 2018. NATO is a politico-military organization that aims to ensure the collective security of member countries. Its massive expansion from 1999 to all countries that belonged to the former Soviet sphere was aimed at confining Russia to its borders. The latter tries by all means to counter this development by reopening doors of exit, especially in the Mediterranean, which explains the massive commitment of Russia in Syria to obtain air and naval bases in this country. The United States holds most of the military powers within NATO. It is imperative that Europeans strengthen their defense efforts to protect their own interests. The United States' contribution to NATO should not be exaggerated, however, since much of America's military budget is not used to defend Europe but the global geostrategic interests of the United States, particularly in the Pacific. Less than a quarter of the US budget is used, directly or indirectly, to defend Europe while giving the United States political control over the European market, which accounts for more than one fifth of the world's GDP and is totally dominated by Gafam and American audit and legal firms. Cheaply paid at all for a huge political and strategic advantage, especially that of preventing for fifty years the emergence of the United States of Europe! The Mutual and Security Cooperation Treaty between the United States and Japan was signed on January 19, 1960. This is a more balanced renegotiation of the US-Japan Mutual Security Treaty signed in September 1951, which simply provided for the parking conditions of US troops in Japan. The alliance between the two countries is thus stronger because it is mutually beneficial and subsequent agreements have strengthened coordination and bilateral military cooperation. The United States has developed close strategic relations with a large number of countries in Asia (South Korea, Taiwan, India, etc.), Oceania (Australia, New Zealand, etc.), in the Mediterranean Basin (Israel, Egypt, Saudi Arabia, etc.), or in Latin America. These alliances are complemented by Echelon, a global private and public communications interception system developed by the United States, the United Kingdom, Canada, Australia and New Zealand. This system has been growing massively since the 1970s as a result of the secret cooperation between the United States and the United Kingdom since 1943. Third countries (West Germany, Norway, the Netherlands, Turkey) adhered to elements of this system in the 1950s and 1960s. This network is managed by the intelligence services of these countries and

aims to capture all the flows that pass through satellites and submarine telecommunications cables through powerful listening bases and submarines specialized in listening to cables. Echelon, along with major auditing firms, contributes to the espionage of companies in continental Europe, sometimes with the support of the secret services of certain European countries participating unofficially in Echelon.

## THE FRAMEWORK AGREEMENT ON IRAN NUCLEAR

In order to avoid a nuclearization of the Middle East that threatens US allies in the Arabian Peninsula, the Americans have massively worked for the negotiation, between the P5 1 (the five states of the UN Security Council and Germany) and Iran, an agreement to freeze Iran's nuclear weapons development program. The main issues involved were inspections, the lifting of sanctions and the number of centrifuges allowed to operate. After nine days of intense and furious talks, in the Rococo salons of the Beau Rivage Hotel in Lausanne, a framework agreement was concluded between Iran and P5 1 on April 2, 2015. The agreement provides that the Iran can not acquire a nuclear bomb in less than a year - breakout capability - for a period of at least ten years. This agreement would not have emerged without the fierce will of the American Administration to make it succeed. The Iranian nuclear framework agreement of April 2, 2015 was finalized on July 14, 2015. The main text is completed by five annexes. The main points of the framework agreement were confirmed, with the sanctions relating to the import of offensive weapons being maintained. The agreement would allow a gradual release of \$ 150 billion of Iranian assets stuck abroad. However, the agreement does not prohibit Iran from developing ballistic missiles and this country develops a dozen types, with a range of 200 to 2,000 kilometers and can carry loads of 450 to 1,200 kilograms. UN Security Council Resolution 2231 of 20 July 2015, which unanimously endorsed the agreement of 14 July and requested the International Atomic Energy Agency (IAEA) to take all measures necessary to ensure the verification and control of Iran's compliance with its commitments, suspended the constraints it had previously imposed on the Iranian missile program. This is the main weakness of the agreement from the point of view of strategic stability in the Middle East<sup>9</sup>. This agreement, the result of twelve years of effort, is an incredible opportunity to control the geopolitical situation in this dangerous area. We must do everything to preserve it. The United States has shaped the world's largest economic, political, military and digital power in more than seven decades. This power of influence relies heavily on the multilateral systems that the United States has initiated or largely contributed to developing. This largely open multilateral system contains

secret parties (Echelon) and has massively served the strategic interests of the United States, particularly against the Soviet Union. Certainly the Soviet bloc has held the milestone militarily in the United States for nearly half a century, but it has always been outclassed economically, financially and as a model of open society. The Soviet-American duopoly, which ruled the world from 1945 to 1991, evaporated with the collapse of the Soviet Union, giving way to the American hyper-power, which lasted only a decade. years, until the emergence of China. The economic, technological and financial power of China is infinitely more threatening to US strategic domination than that of Russia, as it will appear in chapter 3. It is to counter this threat that the United States had accentuated in the years 2010 their action to strengthen the open international order they had created. This international order, powerfully serving the interests of the United States, was built by highly valued American statesmen who were able to make good deals while creating long-term partnership agreements. But to understand that the global economic and strategic order is American, and that others have patiently built it for seven decades of good deals that the US president could not have even conceived, understood, or executed, is inaccessible to Trump. You have to understand Trump's mentality: there was no significant person before him, no one is comparable today, and the only activity that will remain for humanity after him is to admire him. for eternity. God is only a microbe compared to his prodigious person.

### **The deconstruction of the American order by Trump**

The world order born after the Second World War is a complete order that serves American interests but also promotes the growth of partner countries. It was an exceptional weapon against the USSR first, then China, until the Chinese boom in the digital technologies of the New Industrial Revolution did not upset the global equilibrium.

#### **A BURST OF DECISIONS THAT REJOINS THE TRUMP ELECTORS**

Faced with China, the Americans had to strengthen the international open order, which could hinder the rise of a totalitarian state controlling a hyper-capitalist economy. These were the objectives pursued by the Alena - to create a strategic glacis of the United States in North America difficult to reach to China - the TPP - to build a strategic alliance bringing together twelve and fifteen countries to force China to change its internal law and its economic model of development to join it - of the Paris climate agreement - which was to make more and more China appear as the big global polluter that all countries had to get back into the ranks to save the planet - and the agreement on Iran's nuclear power - which made it possible to avoid a nuclearization of the Middle East. Faced with an increasingly

aggressive Russia, it was necessary to consolidate the NATO which allows to hold it in respect. This is the whole building that Trump wants to break. • On January 20, 2017, the US Administration, which had just come to power, announced that it wanted to renegotiate or exit the Alena, because the United States has trade deficits with these countries that are largely the result of relocations of American firms to Mexico, seeking cheap labor, and US imports of Canadian natural resources. The United States wants to change the rules to their advantage by requiring, among other things, that Mexican and Canadian products sold in the United States incorporate more parts manufactured in the United States. This last goal is achievable without insulting Canadians and Mexicans, but is it the goal of Trump? To quell the grumbling of US companies based in Mexico, Trump agreed on August 27, 2018 to sign an agreement with Mexico that will take the name of "Trade Agreement United States - Mexico" to allow Trump to say he has put an end to the Alena! The agreement provides for duty-free exemptions for cars with 75% US or Mexican parts, compared to 62.5% previously. It is also expected that more than 40% of the contents of a vehicle must be manufactured in countries where workers earn at least \$ 16 an hour. Finally, the steel and aluminum needed for the main parts of the machine will have to come to more than 70% of the United States or Mexico. In the trade union sphere, the agreement provides for an extension of wage bargaining with the unions to increase the cost of labor in Mexico. A comparable agreement was negotiated with Canada and signed on September 30, 2018. The Alena is thus replaced by the United States-Mexico-Canada (Aeumc) agreement. The name change hides the fact that changes to the Alena are limited. The United States gains reduced access to 3.5% of the Canadian dairy market, but guarantees Canada and Mexico against possible auto tariffs. Above all, Canada obtains the maintenance of the conflict resolution court, which Trump wanted to eradicate, and a six-year term of agreement, instead of the five-year term desired by the US President. This agreement will hinder European and Asian companies that used, or planned to use, Mexico to enter the US market without building plants in the United States. If the previous trade deal is only marginally altered, which is disappointing for Trump voters, Mexicans will remember Trump's threats and the wall that isolates them from the United States. And Canadians will remember for a long time the very aggressive behavior of Trump towards them. While the United States has been building the free trade system since the Gatt accords, in the spring of 2018 Donald Trump launched a general trade war by taxing US imports of steel and aluminum and then specifically targeting exports. to the United States (see Chapter 3). Trump or the art of doing political and strategic damage without getting much in return!

• On January 23, 2017, Trump signed a document disengaging the United States from TPP. It responded to fears of social dumping resulting from an agreement that brought together countries with high labor costs and others with low labor costs. But in doing so, Trump has missed out on the essential, which is the strategic content of the agreement to isolate China in international trade by highlighting the undemocratic practices of the Chinese regime. It is therefore a colossal strategic mistake from the dual point of view of the interests of the United States and those of the free world that have interest in an evolution of the Chinese political model towards more openness and its economic model towards more reciprocity. However, the other eleven TPP member countries do not want to give up the strategic achievements of the treaty and signed a new agreement in March 2018 under the name Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This agreement captures the essence of the TPP by excluding some of the intellectual property elements of pharmaceuticals that had been imposed by the United States. It can not be excluded that the US economic and military establishment has quietly encouraged the conclusion of the CPTPP in the hope that a future US President will sign it. Trump himself, in an incredible snub at his earlier decision, considered joining the CPTPP in April 2018, showing his inconsistency over strategic issues key to US security. But the signatories of the TPP were reserved on a possible return of the United States in this agreement. In particular, the representative of the Japanese Prime Minister stated that the CPTPP is like a "glass sculpture" and that "it would be extremely difficult to renegotiate parts of it". Australia and Malaysia were also reserved on a return of the United States in an agreement they themselves snubbed. Trump or the ability to take a step forward and two steps back while proclaiming that he will "clean everything" in his path!

• On May 25, 2017, in a speech in Brussels, Trump demanded an increase in the contribution of his allies to the common defense after declaring during his campaign that NATO had to be dissolved or even caused the explosion of European Union. For decades, these two institutions have been functioning as obedient machinery of US strategic policy. Trump reiterated his attacks against NATO on several occasions and became more specific at the NATO summit on 11 and 12 July 2018, calling for all NATO member countries to spend at least 2% of their GDP for defense. It particularly targeted Germany, which spends only 1.25% of its GDP for this purpose (1.8% of GDP in France). It has again attacked Germany, to want to increase its Russian gas imports through the project of doubling the submarine pipeline Nord Stream 2 by complaining that the United States defend Germany against Russia while the latter is supported by German purchases of Russian gas. Not wrong, but an agreement that takes into account the interests of the United States, without putting Russia on its knees in the face of China, is achievable. In



fact, Trump's "anger" is aimed at discouraging Russian gas imports to favor exports of liquefied natural gas (LNG) to Europe, although it is more expensive than Russian gas. Trump is nevertheless causing the fourth biggest crisis of the Atlantic Alliance after those of the Franco-British intervention in Suez blocked by the United States in 1956, the American war in Vietnam - which was not supported by some of their allies - and the second American intervention in Iraq in 2003 - which was contested by many countries including France. But this is the first crisis that comes in the context of the clash between China and the United States for world leadership, a context that should lead the United States to tighten their alliances rather than weaken them. Trump or the talent to weaken the alliance system of the United States of America!

- On June 1, 2017, Donald Trump announced the exit of the United States from the Paris agreement on climate. He justified his decision by the fact that this agreement imposed "clean growth" constraints on American companies, without understanding that these same constraints were more of a hindrance for Chinese companies. In addition, the American clean techs were ahead of other countries and the decision of Trump will curb their growth. Then on August 20, 2018, Trump announced that it was challenging the 2015 Clean Power Plan, which targeted a 32 per cent reduction in greenhouse gas emissions in the energy sector by 2030 by This is to say that it wants to promote the production of coal and wants to force electricity distributors to buy electricity generated by coal. US policy is emulating in Australia, which also calls into question its commitment to production of carbon free electricity.

- On January 12, 2018, Trump gave Europe 120 days to tighten the Iranian nuclear deal of July 2015 by imposing additional constraints on pain of the United States leaving the agreement in case of refusal of new concessions by the Iranians. The Iran nuclear deal is known in the United States as the Joint Comprehensive Plan of Action (JCPOA). Then, on May 8, 2018, Donald Trump announced that the US was withdrawing from the JCPOA, particularly at the insistence of the Israeli government, which has consistently opposed the agreement, and reinstated US sanctions against the Iranian regime. , which he described as "the murderer" and "the first state sponsor of terrorism fueling conflict" in the Middle East. At the same time, the other signatories of the JCPOA announced their willingness to do everything to save the agreement. The US sanctions target the Iranian oil sector, the dollar transactions of the Iranian Central Bank and foreign companies that would enter into trade relations with Iran. The United States arrogates to itself the right to strike any entity outside the United States on the principle of extraterritoriality that allows the US justice to prosecute and punish entities, companies or organizations, dealing with countries under US embargo

when they are present in the United States, make transactions in dollars or with American banks. The European Union, which is not a united strategic force but a group of powerless dwarves, tolerates that the United States apply the extraterritoriality of its laws to its nationals, companies or organizations. On May 10, 2018, the United States announced sanctions against a network of Revolutionary Guards, a paramilitary force that is the main support of the Iranian regime. These sanctions, taken in coordination with the United Arab Emirates<sup>12</sup> (UAE) - except Dubai, which has strong trade and financial relations with Iran - aim to block a currency exchange network used to finance the international military activities of the United Arab Emirates. the Al-Quds force in charge of the Guardians' external operations. Steven Mnuchin, US Treasury Secretary, thanked the UAE for their collaboration. They welcomed Trump's decision to withdraw from the JCPOA. If the Iranian regime is indeed totalitarian, Trump missed out on the key point of the deal. According to the agreement, Iran respected its commitments on nuclear energy, and especially the freezing of the Iranian program made it possible to curb the attempts of the other countries of the region to acquire nuclear weapons. The right approach was to complement the JCPOA with an agreement on the development of Iran's ballistic programs and enhanced surveillance of Iranian interventions in Syria and Iraq - on this point, the United States could take the measures aimed at Al- Qods without leaving the JCPOA. The Iranian regime, which is weakened by the internal economic crisis and by the mistrust of a growing part of its population, may have to evolve on all these points. And at least take the time to negotiate with Iran before slamming the door in his face. Especially since the rejection of the agreement, in the negotiation of which was strongly committed the moderate president Hassan Rohani, can only strengthen the camp of the ultra among the Guardians of the Revolution and the archaic clergy. They even now advocate an exit of Iran from the Non-Proliferation Treaty (NPT), such as Admiral Ali Shamkhani, who heads the Supreme Council of Iranian National Security.

As the United States tries to ostracize Iran, Russia and its partners in the Eurasian Economic Union (UEEA) welcomed it into their customs union in mid-May 2018 by offering a reduction in tariffs on hundreds of products before entering into accession negotiations, which should be completed within three years. The five members of the UEEA (Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan), created in 2014, offered a way out to Iran. Even though the economic power of the UEEA is limited, its strategic reality is immense. Russia dreams of building eight nuclear power plants in Iran.

Not only does Trump reject any cooperation with its major allies on international issues (Iran, climate, trade, etc.), but it surrounds itself with increasingly extremist advisers. In

March 2018, he successively "fired" his National Security Advisor, H. R. McMaster, and his Secretary of State Rex Tillerson and lost his economic adviser Gary Cohn, who opposed the trade war initiated by Trump . John Bolton, a bellicose nationalist, replaced McMaster, while Mike Pompeo, the aggressive CIA boss, replaced Tillerson. Larry Kudlow, a television reporter, took the post of Cohn. Nationalists surround the President in all key positions. Bolton and Pompeo dreamed of killing the JCPOA agreement on Iran. Mission accomplished ! In the real strategic interest of the United States? The strengthening of the JCPOA, as the international community wants to convince North Korea to stop its nuclear activities, remains the best approach if we want to avoid a blaze in the Middle East. Above all, who will now be able to trust the commitments of the United States when they can come back so easily on the word given, moreover within the framework of an international agreement? From the United States who, through Mike Pompeo's voice, said on May 21, 2018 that the new Iranian nuclear deal, should there be one, should compel Iran to stop any enrichment activity. uranium, to withdraw from Syria and Yemen, to no longer support Hezbollah in Lebanon or Hamas and "Palestinian Islamic Jihad", to release American prisoners and to stop threatening Israel. According to Pompeo, "Iran will never again have carte blanche to dominate the Middle East". Otherwise, the country will be applied "unprecedented financial pressure with the harshest sanctions in history." Pompeo did not ask Iran to self-destruct. He had to skip a line in his speech. It is likely that Iran will still be there after Trump and closer to nuclear weapons than at any other time in its history. And most likely with active help from China, which has excellent relations with Iran (see next chapter).

### **The beautiful remains of American power**

The United States has not lost all its levers of influence just because of the arrival of Trump. Their normative power and the dominance of the dollar in the financial markets allow them, for example, to strike at the interests of Russia as a result of Russian interference in the US presidential election of November 2016 and the poisoning at Salisbury of the former Russian spy Sergei Skripal, early March 2018.

### **SANCTIONS AND PROHIBITIONS**

The United States has toughened sanctions against Russia, accused of electoral interference, cyberattacks against the United States and attacks on Western democracies, adding on April

6, 2018 in the evening thirty-eight people and companies to the list of Russian entities that can not have relations with US entities. Trump was forced to take these sanctions at the request of Congress. The list targeted several oligarchs close to President Vladimir Putin including Oleg Deripaska, founder of Rusal, which is the world's largest producer of aluminum outside of China. With 3.8 million tonnes produced in 2017, Rusal accounted for 6% of global supply and 17% excluding China. However, after the US announcement, the stock fell by half in session April 9, 2018, before limiting its decline, and the group Rusal announced that it could default on some lines of credit and bonds<sup>13</sup>. Other targeted entities and personalities include the holding company Renova, owned by Viktor Vekselberg, the largest shareholder in the Swiss industrial flagship Sulzer, which was forced to reduce its stake in the group's capital from 63% to 49%, by losing the stake. control, over the weekend of 7-8 April 2018, so that Sulzer is not affected by US sanctions<sup>14</sup>. The United States also hit Chinese telecom equipment maker ZTE by banning, in April 2018, and for seven years, exports of US components intended for integration into ZTE's equipment, on the grounds that the company had violated the embargo. against Iran<sup>15</sup>. Then, in a reversal strongly condemned by US analysts, the Trump Administration decided to sell electronic components again to ZTE on June 7, 2018, for a \$ 1 billion fine and a \$ 400 million deposit in a special account blocked<sup>16</sup>. The American entity that implements the US sanctions, The Office of Foreign Assets Control (OFAC), is used as never in American history since its creation, in 1950. Ofac depends on the Treasury Department and intervenes in the fight against terrorism, against nuclear proliferation, abuses against human rights or corruption, and does not know where to turn. Donald Trump and Steven Mnuchin, Secretary of the Treasury, "put it all the way" to the point of discrediting it in the international opinion by making it a kind of KGB financial unilateral domination.

## RISKS OF HAND TOO FREQUENT SANCTIONS AND PROHIBITIONS

The United States keeps beautiful remains of its seven decades of efforts to build their global normative and strategic leadership. They can hit the biggest companies of their opponents. However, they must be careful not to undermine the bases of their influence. States whose businesses have been punished, often without directly violating US laws and never on American soil, will not forget what is perceived by them as the law of the strongest and not the most just . They will develop approaches that will no longer allow the United States to hit them. For this, they must acquire six instruments: a global currency with clearing houses independent of the United States, rating agencies, commodity exchanges, powerful domestic

investors, shipping companies and a national production of semi-conductors. The strategic policy of China, Russia and a possible nucleus of determined European powers is drawn! In this case, as early as May 28, 2018, Xi Jinping stated in his address to the Academy of Sciences and the China Academy of Engineering that China must become totally independent in technological terms so that it will not have to suffer the US sanctions like ZTE's. He noted that the New Digital Industrial Revolution is turning the world upside down in the 21st century. He called for the full integration of the Internet, big data and artificial intelligence with the real economy so that the Chinese economy is at the top of the global value chain. Businesses, research centers and universities must be co-integrated in the pursuit of scientific and technological supremacy. Xi demanded private and public Chinese actors that a total effort be made to create a "Chinese integrated circuit industry".

Trump's policy - threats, sanctions, embargoes, tariffs, insulting tweets - may enable him to garner short-term success with his constituents through the use of American power accumulated over seven decades. Voters who are unaware of the normative power and prophetic dimension of the United States in the world, as perceived up to Trump, and the benefits that accrue to America. But Trump's policy prepares for the weakening and future isolation of the United States as even their closest allies, such as the European Union, Japan, Canada or Mexico, are hit hard by a president's ukases whimsical. As for China, Russia or Iran, they will never forget that buying technology products in the United States can turn into a death sentence for non-US companies. They will now consider that the US signature is unreliable. They will do everything to avoid dollar transactions. Jacob Lew, the seventy-sixth Secretary of the US Treasury from February 2013 to January 2017, saw the risks of an overly aggressive policy. In 2016, he said: "The more we use the dollar and our financial system in the medium-sized world". But that was before Donald John Trump. The United States had been, since 1945, despite its errors and excesses, the normative power of reference which had built an open international order benefiting all, even if it was particularly favorable to American interests and if the application of the principle of extraterritoriality to US allies was an intolerable privilege. The United States is still, in 2018, the most influential member of the UN, the OECD, the IMF, the World Bank, the WTO and the G20, as well as NATO, as many organizations and systems that they have created or helped to create. And even if the crumbling accelerates, they remain the first global power. For how long? Donald Trump is breaking this beautiful building and multiplying the adventurous decisions that threaten prosperity in the world, already so poorly distributed. The rise in dollar interest rates, linked in particular to the rise in US fiscal deficits, is worsening the situation of emerging and

developing countries indebted in dollars. Risk aversion has risen on the capital markets as well as corporate borrowing rates. Tensions in the Middle East are increasing. After the initial effect of the decline in US taxation decided at the end of 2017, US growth peaks in the fall of 2018 and is expected to decrease in 2019, according to the IMF forecasts of July 2018. The doctrine "America first!" can be understood as part of an electoral process and Trump is not the first to brandish this slogan in the United States since the Second World War. But this doctrine can either unfold in a multilateral framework and consolidate the strongest American alliances since the First World War, or be declined against its own allies and breaking these alliances. The medium and long-term consequences are obviously not the same.

It is not enough to invoke the nationalist tradition of Andrew Jackson, President of the United States from 1829 to 1837, a hard and impenetrable man obsessed with the national interest, favorable to slavery and the deportation of the Amerindians to the United States. West of Mississippi, to suggest today. Trump is fascinated by Jackson, whose portrait he has had in the Oval Office. But Jackson operated, at the beginning of the First Industrial Revolution, in a local world that remained dominated by agriculture. Trump leads the world's leading power, guarantor until his election of an open global order, while the Third Digital Industrial Revolution is accelerating. Applying the same method in a totally modified universe can be devastating. To seek one's way in the darkness of an isolated countryside in the light of a torch is one thing. To deduce that the method is good for finding your way in a powder keg is another. Populism is enjoyable in the short term and devastating in the medium and long term. Who could have imagined that the "nation of freedom in the world" since 1917 would be the most terrifying illustration a century later? "America first! In the short-term electorate, "America first! In the destruction of the American moral and political imperium for a long time!

Xi, the new emperor

China has always been a political and military, economic and technical giant with an affirmed desire for strategic domination over its immediate environment. With the strengthening of Xi Jinping's power, a fundamental strategic shift is taking place in a millennial history.

Xi, the new Mao

China, a single party communist state today, is the oldest state of the Earth in continuous existence (twenty-three centuries) - France being the second with fifteen centuries. The American state has three centuries. A summary of China's history before Deng Xiaoping is given in Annex 1.

## DENG XIAOPING, THE REFERENCE OF MODERN CHINA

General Secretary of the Chinese Communist Party (CCP) from 1956 to 1967 when he was the victim of a "purge", Deng Xiaoping cunningly labored after Hua Guofeng took power in October 1976, a few weeks after the death of Mao by eliminating the Band of Four, whose members were accused of the worst excesses of the Cultural Revolution. After Hua wanted to reestablish Mao's legacy in February 1977, Deng appeared as the bearer of those who wished to relativize this heritage and took effective power in July 1977 as Vice President of the Politburo and leader of the People's Liberation Army. while Hua kept his formal titles. Deng had the Party adopt his plan for economic reform in December 1978. From 1979, liberal reforms accelerated under cover of Communist rhetoric. A start of agrarian reform was implemented while China opened its economy to the outside world. On 1 January 1979, the United States diplomatically recognized the People's Republic of China by abandoning Taiwan, with which they maintained unofficial but strong relations. Deng took full power in 1980 by appointing his relatives to key positions and accelerated the country's transformation by pushing the Four Modernizations: industry and commerce, education, military organization and agriculture. Deng retained only the post of president of the Central Military Commission in 1981, but exercised the real power until his death in 1997. Deng led the negotiation with the United Kingdom on Hong Kong, which resulted in the Chinese declaration. 19 December 1984 fixing the return of the territory to 1997. Portugal accepted Macau's return for 1999 on the principle of "One country, two systems" implemented in Hong Kong. With more than a billion people in China, Hua's one-child policy was confirmed by Deng. Economic freedom favored freedom of opinion and led to increased criticism of public freedoms until the Tian'anmen Square movement in Beijing in April 1989. The proclamation of martial law on May 20 and the evacuation of the square on June 4 of the same year, at the request of the conservative clan led by Li Peng, caused thousands of deaths. Deng later chose to dismiss Prime Minister Li Peng and appointed Shanghai Mayor Jiang Zemin to succeed him. Jiang became the CCP's general secretary on June 24, 1989, and president of the CPC Central Military Commission on November 9, 1989.

In the spring of 1992, Deng confirmed the deepening of the reforms and played the role of "supreme guide" until his death in February 1997. Jiang Zemin became president of the People's Republic of China from March 1993 to March 2003<sup>1</sup>, inaugurating a new tradition, wanted by Deng, of peaceful transmission of power every ten years. Jiang and his prime minister Zhu Rongji improved the efficiency of the state apparatus by making it more independent of the Communist Party. Hu Jintao, Jiang's successor, exercised his double mandate of five years before Xi Jinping's accession to power in March 2013. He was also supposed to govern for ten years before he was able to obtain, at the end of its first mandate, in March 2018, the abolition of the two-term limit that had been enshrined in the Constitution of China. This vote by the National People's Congress also brought the "Xi Jinping thought" into Article 1 of the Constitution, which makes it possible to break any doctrinal opposition. Xi marginalized his prime minister and gave the Communist Party power over the state apparatus, thus erasing Jiang's and Zhu's reforms. The legacy of Deng, the re-founding agent of modern China, is marked by three lines of force in his action and that of his successors up to Hu Jintao: 1 / the creation of a socialist market economy more open to the world and favoring individual initiatives with gradual separation between state and communist administrations; 2 / the importance given to experimentation in public policies with greater freedom for households to develop private activities and the creation of special economic zones welcoming foreign companies, the development of a financial system and the multiplication of international investments; and 3 / the institutionalization of the regime with the 1982 Constitution, which reduces the role of the class struggle and aims at promoting economic development, which prepares the reform of this text with the introduction of private property rights, 2004. Political mandates are limited to two five-year terms and regular meetings of the Party and State organs are provided for in the Constitution. China does not become a democracy, but it is transformed massively and opens up to the world. Xi will shatter Deng's political agenda. First, it breaks the institutionalization of the regime by breaking the rules of limitation of mandates and placing itself at the center of the Constitution. Then, it puts aside the principle of experimentation by a recentralization of the system and a new merger of the Party administrations and the state giving primacy to the Party. National and regional managers lose a great deal of autonomy, which they sometimes use badly and for their benefit, but most often by multiplying development projects. The number of experimental projects in the regions fell from five hundred in 2010 to seventy in 2016. Finally, it increases the control of the Party on companies and resumes the live monitoring of their internationalization. Gradually, official propaganda puts Deng on the verge of history and reaffirms the central role of Mao's thinking and the Party's total control



over the economic and political spheres. Xi is anti-Deng and dreams of new Mao. At the last exhibition of the National Art Museum, dedicated to the thirtieth anniversary of the launch in 1978 of Chinese economic reforms, its author, Deng, is virtually sidelined while Xi and his father (!) appear almost like the authors reforms. It is as if François Mitterrand had erased Charles de Gaulle from history books in the 1980s by claiming the creation, in 1958, of the Fifth Republic.

#### TAKING CONTROL BY XI

Since 1993 and the presidency of Jiang Zemin, the President has accumulated his position with that of general secretary of the Chinese Communist Party. During Jiang's presidency, the President of the Republic was also the President of the Central Military Commission. This was not the case under Hu Jintao in 2003, but he took control in 2004 until 2012. The President appoints the Prime Minister, the ministers and all the key players in the system. It has the power to issue presidential special decrees, declare a state of emergency and declare war. Xi became the CPC General Secretary and Chairman of the Central Military Commission in November 2012 before becoming President of the Republic in March 2013. He was Vice President of the Republic since March 2008. Xi's Anti-Corruption Campaign in 2013 was first and foremost a way to get rid of rival clans, which have been decimated, at least temporarily. While under Jiang and Hu, the conservative and progressive clans, in terms of economic and political openness, coexisted and negotiated among themselves, Xi made way for it. Since 2013, and until the end of 2017, nearly 1.5 million civil servants have been punished for corruption. Both "tigers" and senior executives have been punished as "flies" or small employees. If the flies were punished for their practice of corruption, the few tigers punished were also for the danger they represented for power. Xi Jinping is the son of Xi Zhongxun, one of the eight immortals of the CCP who played a key role in the reform of China in the 1980s, under the leadership of Deng Xiaoping, in reference to the eight immortals who are the main deities of the Chinese Taoism. The term "immortal" is linked to their longevity in power, as they participated in the Long March and survived the Maoist purges before reappearing after his death. The eight immortals include among their members: naturally Deng Xiaoping and Xi Zhongxun, Chen Yun, Xiannian Li, Peng Zhen and Bo Yibo<sup>2</sup>. Xi has therefore introduced three dangerous political ruptures for China's future in relation to the new balance of power established by Deng to prevent the return of Maoist follies. First, the questioning of the peaceful transfer of power every ten years: what will happen to the death of Xi?

Then, his will to crush all the clans other than his own within the Party: everything leads to think that they are dormant and will seek their revenge. Finally, the elevation of his thought

to the rank of official and unique doctrine. Although some of his predecessors had succeeded in having the importance of their "thought" recognized, Xi had his own recognized as the preeminent text of the Constitution in March 2018. Since August 2018, by a decision of the CCP, no not to apply Xi's thinking becomes a reason for excluding the Party, a political death sentence. These breaks are major because the internal tensions are all the stronger that they can not express themselves in the face of the new Mao having all the powers, which accentuates the necessity of the repression. The inscription of Xi's thought in the Constitution reflects his strength and weakness, as he needs this means of doctrinal control to break political opposition. Xi reigns by force, which prevents him from failing in his economic and military policies. The result is a brutality in the implementation of its internal and external policies, including the militarization of the islets of the South China Sea to allow to claim full sovereignty - against the opinion including Vietnam, the Philippines and the United States. Japan - which can lead to slippage. It is the need to always seem strong that explains the way he responds to Trump, in the trade war, by creating a Western balance of power rather than by the traditional Chinese techniques of the Art of the war that aim to exhaust the opponent in the long run. In other words, he has no interest in "planting himself", whether in domestic or international politics, because the repressed clans are only waiting for the opportunity to "settle his account".

The deployment of China in the world

China has a comprehensive strategic policy to serve its ambitions. Whether it is its relations with the United States, the European Union, India or the countries bordering the South China Sea, China is uncooperative, even aggressive, and that of the taking of the Communist Party in 1949 to Deng Xiaoping and since the accession of Xi Jinping to power.

#### AMERICAN-CHINESE RELATIONS

Relations between China and the United States are old and complex. If we limit ourselves to the twentieth century, Americans have at least as much contributed to the liberation of China from the Japanese hold that the Chinese Communist Party (CCP), providing weapons to the Chinese in the 1930s and crushing Japan in 1945, before the CCP turned against the United States in the Korean War. From June 1950 to July 1953, the Korean War pitted the Republic of Korea, supported by the United Nations, and in particular the United States, against the Democratic People's Republic of Korea supported by China and the Soviet Union. The Korean peninsula was occupied by Japan from 1910 until the surrender of that country in 1945. The United States and the Soviet Union then divided the country along the 38th parallel. After the failure of free elections in 1948, the North set up a communist regime and the South a democratic regime. Northern forces invaded the South on June 25, 1950. The

United Nations passed a resolution authorizing international intervention, of which the United States provided 88 per cent of men's resources, with the remainder covered by some 20 countries. Well prepared, the forces of the North crushed those of the South before a counter-offensive by UN forces led by General MacArthur pushed them far into the North to the Chinese border. China entered the war and sent 1.7 million volunteers, who pushed back the UN forces south of the 38th parallel. After a UN counter-offensive and negotiations, the border was again set on the 38th parallel. The war killed more than 800,000 Korean and Chinese military personnel and 57,000 among the UN forces. Seoul was destroyed more than 70%. During the Vietnam War, from 1965 to 1975, between the United States and North Vietnam, supported by Viet Cong, China and the Soviet Union, the Americans and the Chinese were again in direct conflict. . China sent more than 300,000 men to support North Vietnam. After Mao's death, the conflict calmed down until the United States allowed China to join the WTO in 2001, without realizing that it actually respected the rules of international trade. US authorization is likely the United States' main strategic mistake in the 21st century, with far more serious consequences for themselves than the disastrous consequences of the second Gulf War in March 2003 in Iraq. Indeed, if US losses exceeded 6,000 dead in Iraq - US military and private military companies - the US military overkill was not questioned. On the other hand, China's entry into the WTO opened up the markets of the developed countries without opening itself - insofar as it retained direct or indirect control over all foreign investment - This has largely contributed to its tremendous economic growth since 2001. China notably closes the control of its companies, authorizes foreign investment only through joint ventures used to loot Western technologies, and practices large-scale espionage. Western companies and research laboratories. The Chinese boom was also accelerated by the greedy search for profits from Western firms who were complicit in looting their technologies in order to open the Chinese market without anticipating that the Chinese could compete with them so quickly.

## SINO-INDIAN RELATIONS

Relations between the two countries have been difficult since China's annexation of Tibet in 1950. Border conflicts, with a common border of 3,500 kilometers, led to an open war in 1962 lost by India. Each of the two countries targets political leadership in Asia, but the Chinese economy is almost five times larger than that of India, the bet seems lost for India, which nevertheless does not give up, strong of its population, which will exceed that of China before 2030 (see Chapter 5). Both countries are wary of each other's strategic alliances. Because it is terrified to see the exceptional development of China and the incursions of its

Navy in the Indian Ocean, as well as its progress in the Indian universe with a determined policy of aid and trade agreements in Nepal, Bangladesh, Sri Lanka and the Maldives, India has moved closer to the United States and Japan. In particular, it strengthens its economic ties with the latter country, which is at least as concerned about China's hegemonic policy in Asia. But it is especially in Pakistan that China has for half a century manifested its hostile intentions to India. It is China that has transferred the necessary technologies to Pakistan to enable it to develop the atomic weapon, which directly threatens India in the genetic rivalry between these two countries since the partition of the former British Empire. In addition, it is notably in Pakistan that the Chinese Belt and Road Initiative (BRI), otherwise known as the "new Silk Road", is illustrated by the construction of strategic roads and ports that provide direct land and sea access. from China to the Indian Ocean under the noses of the Indians. The port of Gwadar was developed by China as part of a \$ 60 billion aid and loan program. It is located near Iran and the Strait of Hormuz, through which a fifth of the world's oil passes. But nothing is free and 91% of the revenues of the port will be donated to Chinese operators, Pakistan receiving only 9%. India has stood apart from the BIS, denouncing its imperialist character. The BIS was launched by Xi in September 2013. The Asian Investment and Infrastructure Bank (AIIB), which is to contribute to the financing of the BIS, was created in October 2014 and has been operating since 2015. It has its own headquarters in Beijing and a capital of 100 billion dollars. India has created a counter-project entitled "The Road to Freedom" that builds on cheaper shipping routes that are more respectful of sustainable development. But this counter-project is underfunded compared to that of the BIS. The BIS is Xi's weapon of war to take control of small countries with weak public finances, such as Greece or Pakistan, by making loans to finance projects that serve the interests of China ! In addition, the loan agreements provide for China to take over the projects if these countries can not repay them. Diabolical and imperialist, but terribly effective. However, some countries are beginning to rebel against Chinese imperialist policies, such as Malaysia. During a visit to Beijing (!), Malaysian Prime Minister Mahathir Mohamad, elected in May 2018, canceled three projects with China by the previous Malaysian government, whose Prime Minister is now accused of massive embezzlement of public funds. The three projects, worth \$ 22 billion, involved the construction of a railway line between the Thai border and Kuala Lumpur and two pipelines on the island of Borneo. Mahathir was explicit: "That would make us borrow too much money. We can not afford it because we could not pay it back. He considers the loan contracts unfavorable to his country with interest rates too high and called these agreements "stupidity". Thus, the Chinese Communist Party, under Xi's BIS, makes high-interest loans to developing countries in order to take direct control of key

infrastructure in defiance of the sovereignty of these countries! Even though the two current leaders of China and India, Xi Jinping and Narendra Modi, are trying to bring their countries together to accelerate economic exchanges and reduce India's considerable trade deficit with China, it remains difficult to believe that these gestures of appeasement will not remain superficial. The Chinese fortify, indeed, their military settlements in Tibet and tried in 2017 to build a road on a plateau whose borders are disputed on the borders of China, India and Bhutan, which caused the sending Indian troops and a high risk of skidding. China is therefore a major military and strategic troublemaker in Asia since the Chinese Communist Party took power, worsening under Xi's leadership.

### CHINA IN AFRICA

China is gradually chasing the United States and France from the African continent. About 10,000 Chinese companies control nearly half of the major public works projects in Africa. They have imposed themselves by breaking the price by the use of credits at zero rates and deferred repayment of the Chinese state, and thanks to a Chinese labor force at thank you. The Chinese build ports, roads, industrial parks or railway lines. Trade between Africa and China is now three times higher than the combined trade of the United States, France and India with Africa. At the Sino-African Summit on September 3, 2018 with some 50 African leaders, Xi reiterated the announcement of \$ 60 billion of "aid" for African development - aid already partly pledged. It is essentially interest-bearing, with free aid and interest-free loans of less than \$ 15 billion. This "help" aims to achieve, with Chinese workers, infrastructure that serves to supply China with raw materials. Cyril Ramaphosa, the South African president, regretted a situation "where Africa exports raw materials to China, while China exports us finished products", which prevents the boom of the African industry. as much as Chinese products are sold at a bargain price, below cost prices in Africa! A serious diplomatic incident occurred during the preparation of this summit. The Chinese ambassador to Namibia wanted to "tell" Namibian President Hage Geingob what to say at the Beijing meeting, but Geingob put it back in his place by publicly saying, "We are not puppets . China has established a major military base in Djibouti and has developed a network of more than fifty Confucius Institutes to spread Chinese culture on the African continent while forging close, stumbling, and stumbling links with most local governments. China, in return, quenching its thirst for oil and raw materials by plunging into African resources and expects an "elevator return", which it gets in terms of African votes in favor of its strategic policy at the UN. It applies the same policy in Latin America. In these two continents, China is supplying local demand with an almost unlimited supply of low-priced products that are sold

locally cheaper for the same products than in developed countries. China uses all the instruments of power and influence at its disposal to assert itself as a major power. At the diplomatic level, the desire to have dozens of countries affiliated with the Belt and Road Initiative (BRI) and the attempts to federate Asia through unequal trade treaties, in the sense that China imposes itself on others Asian countries by force, show that China is launched in a race for world leadership.

#### CHINA AND THE EUROPEAN UNION

China plays a triple game against the European Union. First, it penetrates its markets: its surplus with the European Union increases sharply by using subsidies and loans not reimbursed to its companies to break competing European companies. At the same time, it buys many European companies in sectors that interest it such as robotics and electronics, not to mention ports and airports. Secondly, it claims to want to create a front at the service of multilateralism with the European Union vis-à-vis the United States, but at the same time it establishes bilateral agreements with many European countries. It has signed agreements with Romania, Bulgaria, Greece and Hungary. Finally, she wants to vassalize Eastern Europe as part of her BIS. She had the impudence to conduct a direct policy to break the European Union while claiming to ally with her. It met with sixteen countries of Central and Eastern Europe on June 30, 2018 in Sofia (seventh such summit since 2012!), Before holding a Sino-European summit in Beijing on July 16 and 17, 2018. The sixteen are divided among eleven members of the European Union (Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Slovenia, Croatia) and five non-members (Serbia, Bosnia and Herzegovina, Montenegro, Albania, Fruit salad). The sixteen European states want to receive both structural aid or EU subsidies and checks from China, which intends to use them to weaken the same European Union. Do we imagine eleven US states making agreements with China to circumvent the decisions made by the US federal state? The governors of these states would be arrested for high treason! In addition, China makes loans to these countries to build infrastructure with the help of Chinese companies. But when these same countries can not repay these loans, they sell assets to China, which becomes the owner. It is clear that the strategic existence of the European Union is at risk in the near future if countermeasures are not taken quickly.

#### MILITARY AND SPACE AFFIRMATION OF CHINA

Since Xi's arrival in power, China has greatly increased its military effort, reorganized its defense mechanisms and invested in new technologies. In particular, it develops anti-aircraft missiles to challenge US naval dominance in the Pacific. Its policy in the South China Sea

aims to control this sea where a fifth of the world's maritime traffic passes while appropriating its underwater resources, especially oil. Xi takes great care of the new Chinese army he wants to build. He always recalled that in Gutian, in December 1929, Mao laid the foundations of the doctrine that the People's Liberation Army is not the armed wing of the people or the country but that of the Communist Party, towards which she must be totally loyal. He wants to reform it to make it effective, including cleaning up a high command that was weakened by corruption and non-cooperation between different services. Although China spends a lot of money for the benefit of its armed forces, they are not yet able to conduct a modern war. But this will be quickly the case. Xi has merged the command of recruitment, procurement, logistics and political oversight into the Central Military Commission, of which he is the boss. The new Chinese army is evolving towards a high command modeled on the American model, the air force, the navy and the army being placed at the same level of importance, with the creation of a electronic warfare and space and a department for ballistic and cruise missiles. The country's seven military regions have been reduced to five. Moreover, Xi wants to reduce the number of soldiers by about three hundred thousand to have an army of two million men better trained and better armed. But the army is complemented by the 900,000-strong People's Armed Police and eight million better-trained and trained militiamen. Xi wants China to be better prepared for a possible international conflict in the China Sea or elsewhere. The Chinese military budget has increased considerably since 1990.

The official budget is of the order of 150 billion euros but it does not take into account a significant part of the purchases of weapons and construction. The real budget, in purchasing power parities, is about 400 billion dollars, which explains the incredible speed of the modernization of the Chinese military apparatus. China also wants to regain control of Taiwan, which it considers an integral part of its territory. Taiwan is under the strategic protection of the Americans, but one can wonder if the American will to protect Taiwan is as strong as that of the Chinese to get their hands on the island. On April 12, 2018, China conducted new naval maneuvers in the South China Sea mobilizing forty-eight ships, seventy-six aircraft and more than 10,000 Chinese naval personnel around the Liaoning aircraft carrier. Xi, who personally oversaw these operations, said, "The need to build a strong navy has never been more urgent than today. He confirmed the message by authorizing live-fire maneuvers on 18 April 2018 in the Taiwan Strait, a 170-kilometer maritime stretch between the island and the mainland (130 kilometers at the narrowest point between Pingtan in China and Hsinchu). in Taiwan). Xi said in March 2018, about Taiwan's membership in China, that "every act and every ploy to divide China is doomed to failure

and will expose itself to popular condemnation and punishment of history". In the case of a direct conflict between Taiwan (23.5 million inhabitants) and China (1.38 billion inhabitants), the disproportion of naval forces (27 large surface naval units<sup>4</sup> and 4 submarines in Taiwan, and 111 surface units and 63 submarines in China) and air assets (390 fighters in Taiwan against 1 700 in China) would not allow Taiwan to resist long without the support of the United States. A direct conflict is currently unlikely as long as China is not at military parity with the United States, but then everything will be open. The desire for Chinese domination is also asserting itself in space. Xi has officially expressed the goal that China will exceed the United States as quickly as possible in the conquest of space. Led by the military, the Chinese regime conducts exploration programs for the Moon and Mars, human spaceflight and space station flights, and scientific and military satellite launches. On the industrial front, the China Aerospace Science and Technology Corporation (Casc), a powerful public group of 170,000 employees, has set itself the goal of becoming the world leader in the aerospace industry. But China also promotes the development of a private space industry. OneSpace, a Chinese start-up and the American SpaceX, launched China's first commercial rocket. The goal of OneSpace is to tackle the small satellite market. OneSpace and SpaceX benefit from the powerful support of the military systems of their respective countries while Europe only supports ArianeGroup with lip service. ArianeGroup, a joint venture created in 2014 and owned 50/50 by Airbus and Safran to develop Ariane 6 launchers, has only 8,000 employees and regularly quest credits and launchers' orders to survive. The twenty-two member states of the European Space Agency gave only June 14, 2018 their agreement to finance the transition program to switch from Ariane 5 to Ariane 6 between 2020 and 2022. The commitment of 300 million euros covers this transition as well as the new solid propellant engine P120C common to the first stages of the Vega and Ariane 6 rockets. But there were no commitments at that date on the order books of these launchers while China and the United States - the latter has signed \$ 8.1 billion worth of NASA contracts to SpaceX alone - regularly order massive launchers from their own manufacturers. ArianeSpace, a subsidiary of ArianeGroup, in charge of the marketing and operation of European launchers, will have to negotiate the launch contracts one by one with the interested Member States! The real goal of the Americans and the Chinese, through the creation of SpaceX and OneSpace, massively fed with public funds but taking a private appearance, is to kill ArianeGroup and the European space industry before ten years. Notably because ArianeGroup is developing the M51 ballistic missile, which equips French nuclear submarines, the only independent European strategic force. For how long ? The problem is the same with regard to space defense.



The 1967 International Treaty on Space prohibited the sending of weapons of mass destruction into outer space but did not prohibit the military use of outer space. The militarization of space is accelerating since the successful 2007 test by the Chinese of the destruction of a satellite in space. The United States remains the first space power and intends to remain so, as will appear in Chapter 5, but the Chinese hope to take away this position. Of the 420 military satellites in orbit, one hundred and seventy are American, ninety are Russian and soon ninety will be Chinese, while France has eight in its own and four in partnership with three other European States. . Germany and Italy have seven each. These military satellites are essentially systems of observation and encrypted telecommunications that allow the conduct of military operations. But we see satellites appear and multiply maneuvering in order to destroy other satellites or to spy on them. By 2025, the United States will approach 190 military satellites and the Chinese will have 120 satellites, five to seven of which will kill other satellites. The Russians tend towards a hundred satellites including four to five killers. American ambitions in the destruction of enemy satellites are very high. Continental Europe currently has fewer than 30 satellites, many of which are almost obsolete, and does not have the capability to destroy enemy satellites. In a policy of power, a hard core of voluntary powers around France, Germany and Italy must aim at an integrated capacity of about fifty satellites including four to five killers to dissuade the harmful actions of others. spatial powers. In fact, the Americans and the Chinese will not have to put too much effort into killing the European space industry or destroying our military satellites if we do not move quickly. The new round of strategic rivalry between China and the United States, accentuated by the trade war launched in March-April 2018, augurs the proliferation of skirmishes in all areas in the years to come.

A comparison of Xi and Trump's thoughts

Very often in history, dictators or populists clearly articulate their thinking and strategic goals, such as Hitler, Stalin, or Chavez. It is always wrong not to pay serious attention to it.

#### THE FAILURES OF THE THOUGHT OF XI

At the heart of Xi's thinking is the reaffirmation of Marxist doctrine and the exclusive role of the Communist Party in the conduct of the country. Marx exposed in Capital<sup>5</sup> the characteristics of economic dynamics in the capitalist economy, these predictions proved all

wrong until the end of the twentieth century. Marx announced: 1 / the downward trend in the rate of profit resulting from the decline in the return on capital. Productivity had to stop growing and then decrease until the collapse of the system; 2 / the purchasing power of per capita wages should decrease to subsistence income; Only the collectivisation of the means of production and exchange made it possible to avoid general collapse and put an end to the absolute pauperization of the workers. However, not only has Marxist theory proved to be wrong, but the New Industrial Revolution (see Chapter 3) is characterized by increasing returns, which is not without problems, as increasing returns favor the development of oligopolies. . In addition, the purchasing power of wages has increased massively in developed countries during the twentieth century and capitalism has taken two billion people out of poverty for three decades, according to data from the World Bank. However, the oligopolization of the productive system since the beginning of the twenty-first century, particularly in the United States, favors the increase of the wages of the employees of the leading companies in the digital technology, in particular the wages paid by the Gafam, with the effect of increase the average wage gap between the leading companies of the economic transformation and the others (the wages in the Gafam are already more than twice the average of the other companies and increase more quickly). The slowdown in global factor productivity growth over the past fifteen years in the developed countries seems to be linked to the stagnation of economic sectors and companies that are unable to adapt quickly enough to the economic transformation underway. the most fascinating is that it is today in China that Marxist thought is the most false ! Not only does labor productivity continue to grow by more than 4% per year in the course of 2010, but the overall productivity of the factors of production is growing at the same time by more than 3% per year. Real wages per capita have increased sixfold over the last twenty years. Finally, the weight of public enterprises in production is continuously decreasing and today stands at 22%. The Marxist heart of Xi's thought is routed theoretically and practically. In reality, the Chinese regime is built on the alliance between a triumphant capitalism and a totalitarian one-party that increasingly restricts civil liberties. The laogai, the gulag of the Republic of China, is ruthless, combining humiliation, violence and rape with indoctrination, according to all the testimonies including those of the Nobel Peace Prize winner Liu Xiaobo and the poet Liao Yiwu. The "TV denominations" of opponents denouncing their own crimes have multiplied since Xi Jinping came to power. In a report published in April 2018, the NGO Safeguard Defenders identified forty-five major figures between July 2013 and February 2018 (the "confessions" of ordinary people in local affairs is a massive practice). The main Chinese public media are associated with these "confessions" that violate all basic human rights. As for the Uighurs, more than

one million of them have already passed into "re-education" camps of the Maoist type, out of a population of eleven million. In fact, it is less the economic theory of Marx that interests Xi than the dictatorship of the proletariat whose monopoly is given to the Communist Party to lead the people on the path of progress, the content of the latter being defined by the Central Committee of the Party and more specifically by its Political Bureau (Leninist thesis). Xi consolidated this approach to absolute power by taking up Mao's military thesis that the People's Army is the protection arm of the Communist Party and not that of the nation. The interests of the nation are supposed to be served by the Party. Xi's thinking is therefore above all the affirmation of the absolute power of the Political Bureau and especially the Secretary General of the Party over the nation and the army. The Chinese regime is an absolute monarchy having assumed the appearance of an absolute Party. A rigorous discipline reigns in the Party since the new directive taken by the Central Commission of disciplinary inspection on August 26, 2018. This directive preaches a total obedience within the Party with prohibition to criticize the decisions of the Party, to distort the history of the country or to join a religion.

The text states: "We must strengthen ideological education for Party members who have religious beliefs. If they do not abandon them through the help and education provided by the Party, they must be encouraged to leave. Exclusion from the Party usually results in the loss of one's job. In the renewal of Party cadres, "political loyalty will be the main criterion of selection". Xi also introduced a systemic break with what may be called the "approach to prudence" theorized by Deng, who was reconnecting with the great Chinese dynasties who first wanted to reign at home. Deng, understood that China, even weak, is scared by its natural weight - it is enough to see the Japanese, Indian or Vietnamese reactions to every Chinese initiative to measure it. He always advised caution, which is the art of weighing the pros and cons and anticipating the risks, to the Chinese leaders so that the neighbors of China do not fight against it. However, not only has Xi given up prudence in his leadership, he says China must be the dominant power in all areas before 2049, the 100th anniversary of the Chinese Communist Party's seizure of power. In this context, Xi must show tangible results of his policy before 2023, the end of his current mandate, if he wants to avoid a rebellion within the CCP. If Xi's grip on competing clans in the power struggle creates enemies for him, he does not hesitate to take an additional risk by introducing stifling digital control of the population. The Communist Party, which already controlled the lives of citizens through neighborhood councils, multiplies the automatic control systems by combining facial recognition techniques with 176 million cameras already installed

throughout the country (Skynet system) and by combining the data collected with court judgment files, tax data, e-commerce sites and social networks (Alibaba and Tencent-WeChat will contribute to this control, as these two companies have even developed evaluation algorithms for their hundreds of millions of customers). All individuals will be graded, as well as businesses, and appropriate punishments will be imposed, ranging from banking prohibitions to transportation restrictions to bans on buying an apartment or working. In some cities, blacklists are public and accessible on the Internet. In Xinjiang, a predominantly Muslim province, control algorithms allow for preventive arrests. Lin Junyue, the system designer, wants to build a real social credit system that assigns a behavioral score to each individual. The social credit system will make it possible to supplement the physical record held on each individual by the Administration from an early age (teacher comments or employer evaluations throughout life). The Communist Party can indefinitely separate the wheat from the chaff: those who are in the line of the Party and those who deviate a little bit, or who have not deviated but could potentially, even if they do not know it not themselves. God pierces your soul and sees what you want to bury or ignore. Big Brother was a child compared to the Big Xi system. Until when will the Chinese people accept this absolute pitching?

Xi's iron grip is starting to provoke stronger and stronger reactions despite the CCP's lead screed. Among other expressions of rejection of Xi since the spring of 2018, Xu Zhangrun, a professor at the prestigious Tsinghua University in Beijing, wrote in an essay published in late July 2018 on the website of the Chinese liberal think tank Unirule: "Through the China, people, including the entire bureaucratic class, doubt the direction taken by the country and are worried about their own security. This growing concern has created a kind of panic in society. Hence the hardening of the repression since August 2018.

#### THE THOUGHT OF TRUMP IN RELATION TO THAT OF XI

In the light of Xi's thought, what is Trump's thought? Basically, faced with the globalization of the world economy and the rise of inequalities between the beneficiaries of globalization and others, which fuel populism and led to the election of Trump, there are three possible answers apart from the ideal response then exposed: 1 / less state and more competition and openness to globalization. The first approach is that of the markets, the countries of the North of the euro zone and the major platforms resulting from the Third Industrial Revolution (see Chapter 3). According to this approach, all-competition solves all problems. Those who can not keep up have to fend for themselves. 2 / a restorative welfare state that creates an unconditional universal income and builds a parallel society of local micro-

corporations cut off from the market and financed by those still willing to work and pay taxes<sup>6</sup>. Public expenditure increases until the total rejection of the system. 3 / the completely new Trump proposal of simultaneously "less state" and "less globalization" or, in other words, "less statehood and more protectionism" <sup>7</sup>. But this policy is not good for the people, but it is excellent for the established powers. It is favorable to business in a primary way, even bestial: less taxes, less prudential rules, fewer environmental constraints, less or more-all of "experts" who talk about long-term, global warming or fight against inequalities to hold society together. This pro-business policy is accompanied, in response to the demand for protection of those left out of globalization, protectionism and the fight against immigration. But, in reality, this policy is not good for the lower classes, whose relative incomes relative to established powers are falling. The prices of basic products, often imported, are increasing. The purchasing power of the poorest falls as monopolies rents increase. This pro-business policy has nothing to do with a supply-side policy aimed at increasing labor force skills and labor productivity through massive investments in innovation, education and scientific and technological research. technical in the context of a regulated and equitable social contract: it simply describes a policy of "laissez-faire without rules" which establishes the law of the strongest. In addition, Trump's economic benchmark is stuck on the 1960s of the Second Industrial Revolution, that of steel, coal and automobiles. He wants to make the United States the first coal and oil power in the world and again the largest producer of aircraft and automobiles in the world. We must eradicate all the obstacles in this direction and, if necessary, walk on Canada, Mexico, Germany and Japan, to start, while crushing China. Trump refers to imports and immigration as responsible for the misery of the people in order to divert the attention of the forgotten prosperity from the consequences of the rise of monopolies in the United States, as evidenced by the considerable rise in the share of profits in the United States. US national income. Trump coined national capitalism in the 21st century, the counterpart of National Socialism in the 20th century. Trump has the same taste as the autocrats of the 1920s and 1930s for the spectacular meetings with dictators (Xi received at his personal residence in Florida in April 2017 or Kim celebrated at the meeting in Singapore in June 2018) and the same contempt for the democracies (Justin Trudeau treated as "weak" and Mexico as "sub-nation"). Trump even coined a 1960s national-capitalism, symbolized by the US "big arms" of coal and steel, the real America.

In contrast to previous visions, the ideal approach to rising inequalities among peoples and the assertion of dictatorships in the world is made, 1 / internally democratic nations, strategic policy to accelerate modernization of the economy while fighting against rents and

monopolies, investment in education, research and innovation, health, physical and digital infrastructure, in a strict prudential framework enshrined in a sustainable development policy ambitious. This policy fights against the impoverishment of the popular classes, which represent about 40% of the population, and the middle classes, which represent half of the population. An abundant supply of new positive energy housing and renovation of old housing while modernizing all the networks (transport, digital, energy, water and waste treatment) makes it possible to develop internal employment, 2 / externally between democratic nations long-term strategic, political and military alliances to channel authoritarian regimes and improve the distribution of resources on the planet. The ideal approach reinforces liberal democracy guided by a powerful vision of economic and social, political and strategic development. It strengthens people's trust by respecting their identity and protecting the working classes (see Chapter 4). By his pastist politics, Trump weakens the United States in the medium term. 1 / An expansionary fiscal policy, while the country is at full employment, will lead to a deterioration in the balance of foreign trade while protectionism drives up the prices of imports and the profits of the monopolies to the detriment of the working classes. 2 / Measures favoring unsophisticated activities (coal, steel, etc.) help to reduce the level of production in the US industry and impoverish workers. 3 / It reduces the immigration of skilled workers while the digital war is escalating - half of the immigrants in the United States have at least a bac 4, provided they are allowed to return ! 4 / It attacks the secular allies of the United States at a time when the conflict with China for world domination is close to the red zone. 5 / It transforms the United States of the world's stability pole into the first risk factor while discovering the US forces by lowering the alliances of the United States. Some celebrate the short-term benefits of its policy without seeing the damage it causes in the medium term. While Xi uses Marxism to focus all power to make China the world's number one digital powerhouse, Trump wants to return to coal and steel. He could have joined the European Coal and Steel Community (Ceca) in 1951 ... The symmetry of the breaks introduced by Xi and Trump is fascinating in that they have each become the first strategic danger for their own country. So we are dealing with sorcerer's apprentices who, moreover, have the power to "fart" the planet. Although it is less visible because of the fierce repression, Xi creates discomfort among the Chinese ruling elite comparable to the discomfort observed in the United States. A malaise, linked to the rupture of long-term balances and the rejection of the practices of the power tested in the adversity, which makes possible all the eruptions of violence.

There is, however, a key difference between the Chinese and American regimes. In China, which is under a totalitarian regime, Xi controls Parliament, the state apparatus, the media

and the economy, while the Chinese army's main mission is to defend the Communist Party even before defending sovereignty. from China. Moreover, the law and the courts endorse the decisions of the Communist Party instead of subjecting them to the law: there is no real rule of law in China. In the United States, which is a liberal democracy, Trump partially controls the state apparatus through his appointments, while Parliament, the media and corporations are independent and do not obey him.

Moreover, the US military has an exclusive mission to defend the sovereignty and democratic system of the United States but not the party in power. In other words, there is no reminder for Reason and Justice against Xi's power in China, while there are many in the United States. Finally, the rule of law exists in the United States and subjects the Administration and the President of the Republic to the law - whatever Donald Trump thinks! Two relatives of the President were charged on 21 August 2018: Paul Manafort, his former campaign manager, was charged by a popular jury of eight counts of tax evasion and banking, while Michael Cohen, his former lawyer, pleaded guilty to eight malpractices, two of which violated the electoral law, in a federal court in Manhattan. These cases accompany the investigation of the special prosecutor Robert Mueller in the Russian interference in the 2016 presidential campaign. So many manifestations of the rule of law in the United States that are unthinkable in China.

## **SECOND PART**

### **UNITED STATES AND CHINA LOOK BACK IN REVOLUTION**

#### **ICONOMIC WHILE EUROPE MOVES**

The iconomic revolution began in the 1980s and has been accelerating since the 1990s. A new acceleration is at work that will change the balance of power between nations before 2025. Trump is very critical of this industrial revolution, which nevertheless strengthens American power. Xi benefits from the decisions made by his predecessors and from the rise of the Chinese digital giants. Europe is missing out on the current transformation as it still has the means to impose itself against the United States and China, but not with the current institutional system.

It is fascinating to note that the American and Chinese companies of the New Industrial Revolution do not export internationally in the same way, reflecting the different political histories of the two countries. The Gafam are exporting the US model all over the world while the BATHX are growing incognito out of China! Chinese giants tend to win when they face the Americans directly, especially in Asia, excluding Japan and India. The Gafam are essentially asserting themselves in their historical allies that Trump strives to humiliate! The international development of Gafam is therefore part of the international order created by the United States and that Trump questions. The BATHX are aids to Xi's imperialist and totalitarian strategy. The European Union succeeds in the foolish feat of missing out on the strategic and political dimension of the revolution of the economy while this revolution is made in a significant way with its researchers and its technologies! The Germans as much as the French can not turn their assets into giant platforms or large groups dominating the technologies of the economy. There is an urgent need to create a power player in Europe outside the current European Union, which, by historical construction, favors only competition, including the worst, that between tax and social standards.

## CHAPTER 3

A frontal fight for world leadership

China and the United States are in a race to dominate the world. The United States wants to remain the world's leading geostrategic power and China to replace them at the top of the hierarchy of nations.

The commercial clash

Donald Trump announced on March 1, 2018 tariffs of 25% on steel imports and 10% on imports of aluminum. This decision was confirmed on May 31, 2018, with overnight effect, on imports from US allies (European Union, India, Mexico and Canada) 1. But, beyond the European Union, with which Trump has agreed to open negotiations to facilitate transatlantic trade and initiate WTO reform following the Trump-Juncker meeting of 26 July 2018, is China that is targeted. The United States wants to open the Chinese oyster, which has benefited a lot from international trade without much reciprocity. On March 22, 2018, the United States announced that it would impose a 25% tariff on 1,300 Chinese products, the list of which was published on April 3, 2018, to lower their bilateral trade deficit. China responded on April 4, 2018 that it would tax 106 US product categories<sup>2</sup>. In total, the products targeted by the two giants accounted for 15% of the 635 billion goods traded



between the two countries in 2017 (505 billion Chinese exports to the United States and 130 billion in the other direction), exchanges having led to a US \$ 375 billion bilateral trade deficit. The two powers at the same time opened negotiations on a rebalancing of their exchanges. The Americans were targeting products for the Chinese industrial policy and especially its Made in China 2025 plan (industrial robots, motors for electric cars, semiconductors) while the Chinese were targeting American planes or soybeans to annoy the lobbies Americans who have supported Trump and still need it for future elections<sup>3</sup>. A "consensus" document on the resolution of the Sino-US conflict was published on May 19, 2018. But since then, negotiations have been difficult to advance<sup>4</sup>. Despite these discussions, Trump announced on June 15, 2018 that it would hit by 25% surcharges 1,102 Chinese products representing \$ 50 billion of US imports, before Beijing replicates by an equivalent measure in the hours that followed on 545 US products representing \$ 50 billion with effect as of July 6, 2018 (\$ 34 billion on each side as of July 6, 2018 before quickly reaching \$ 50 billion on both sides). Then new tariffs of 10%, gradually increasing to 25%, were imposed by Washington in September 2018 on Chinese exports. The United States has targeted strategic industries for China, such as aerospace, semiconductor and robotics, communications and automotive, all of which are mentioned in the Made in China 2025 plan. targeted agricultural products (soy, pork, chicken ...) as well as energy and the automobile. Several pivotal states in the US (presidential and parliamentary) elections have their main productions subject to tariffs by countries, including China and Canada, replicating in the United States: Ohio, Iowa, Wisconsin and Michigan. It was these states that led to Trump's surprise election in November 2016, even though he received significantly fewer votes from voters than his opponent Hillary Clinton across the United States. According to a study by the universities of Illinois and Ohio, the taxes proposed on a medium-sized farm in these states could divide his income by five. In return, the Trump Administration announced a \$ 15 billion support plan to help these farmers. The evil genius of protectionism has come out of its box and the effects and counter-effects are just beginning.

Trump is convinced he has all the cards in a strictly commercial conflict where China has more to lose than the United States. He forgets that in mid-2018 China held about \$ 1.1 trillion in debt securities issued by the US Treasury<sup>6</sup>, or 37 percent of its foreign exchange reserves. It began to reduce its monthly holdings by \$ 5 billion in the spring of 2018, after more limited divestments in the previous four years. If the Chinese accelerated these sales, US interest rates would rise. In addition, the Chinese are letting their national currency depreciate slowly against the dollar since April 2018 to counter the effects of tariffs on their

products. The United States will gain short-term benefits from reducing its bilateral deficit with China, but at the cost of weakening its position as guardian of the international economic order. Left to tax imports from China, it would have been necessary, in a smart strategic game, to consolidate the TPP and the Paris agreement on climate to provoke an acceleration of the Chinese commercial and climatic isolation while renegotiating the Alena without humiliating Mexicans and Canadians to make sure of the strategic glacis in North America. Instead, Trump began the deconstruction of the entire open international order that the Americans built in seven decades, which is an unexpected boon for China! Trump's international policy mistakes are compounded by his economic decisions. By drastically lowering the taxation of households and businesses at the end of 2017 when the US economy was already at full employment and widening the public deficit for many years, Trump aggravates the external deficit, which he tries to reduce by the worst of means, protectionism. He has twice everything wrong! The United States can triumph in the short term when it bends Mexico and Canada in the renegotiation of the Alena or Europe and Japan when they get this or that concession. But in the long run, faced with a quarrelsome and vicious hegemon that does not respect its signature, the other powers of the Earth will learn to exist outside the imperial greenhouses. Victory of a day for Trump, stinging defeat in the long run for the United States. Thus, two visions of the world are opposed. On the one hand, an American Administration that deconstructs the open world order that served the interests of the United States through a series of rash and dangerous decisions. On the other hand, a China that is shaping an alternative world order by the carrots of the huge investments linked to the BRI7 and the concrete stick of the islets of the South China Sea and the instrumentalisation of BATHX in the digital war . The entire Political Bureau of the Chinese Communist Party must pray for the re-election of Donald Trump in November 2020.

## THE STRATEGIC CONTEXT OF COMMERCIAL CONFLICT

Disputes between the United States and China in the WTO have been numerous since the end of 2001. In the first sixteen years of China's participation in the WTO, thirty-four disputes between the two countries have been brought before the WTO. As early as 2002, China joined the European Union and Japan in opposing US tariff increases on their steel imports. The United States had been condemned by the WTO and had quickly abandoned its tariffs. Then, the complaints were mainly American against China: against the Chinese policy on the intellectual property, then its policy on the financial information, then against

its measures of restriction to the export of rare earth (2009 and 2012), against the dumping Chinese in wind and steel (2020), against its agricultural subsidies (2016), etc.

Americans generally complain that China does not conduct itself according to the rules of the market economy, nor as a responsible member of the WTO. The Chinese are trying to counter the US trade attacks with promises to open their domestic market that remain unclear for the moment.

In return for a possible partial release of conventional car manufacturing, China will require car manufacturers to sell at least 10% of electric or hybrid vehicles in 2019, then 12% in 2020, or failing to buy credits from virtuous manufacturers, which aims to favor the Chinese manufacturers, who produce 96% of electric cars sold in China, mainly small vehicles with a range of less than 200 kilometers. The Chinese government is ensuring that Western manufacturers of high-end electric vehicles are forced to bring their technologies to Chinese automakers - nothing is free in Communist China. This policy pushing electric vehicles lacks as much salt as China produces most of its coal electricity! The reality of these openings remains to be demonstrated. One can imagine that for existing joint ventures, foreign builders will not be able to buy Chinese shares for sums that are likely to be exorbitant. The Chinese have for a long time hooked the Western companies and will not pick the hook for free. Recall that the Chinese can, on the contrary, buy European car manufacturers or take also significant participations. Geely bought Volvo in 2010 and took 51% of Lotus in 2017, then 10% of Daimler in February 2018. Dongfeng took 13% of Peugeot in 2014. China is particularly interested in the most competitive and leading German companies. innovation. Of the 175 Chinese holdings (of more than 10% of the capital) carried out over the period 2014-2017, one hundred and twelve involve companies in key sectors explicitly referenced in the Made in China 2025 strategy: the automobile and the autonomous car are particularly targeted (21% of equity investments), followed by energy (19%), medicine (16%) and robots (15% 9).

## A CLOSED CHINA

There are many economic sectors in which foreign investment is limited in China. In addition to automobile construction, where the Chinese partner of a joint venture must hold at least 50% of the shares - up to an eventual modification of this proportion - or air transport, where an airline can not hold more than 25% of a Chinese company, a Chinese controlling shareholder is mandatory in more than thirty sectors. In addition, there are twenty-eight business sectors banned from foreign companies, such as fishing, animal

husbandry, drug manufacturing, weapons and ammunition manufacturing, legal advice, genetic diagnosis and production. stem cells; publishing of books, newspapers, electronic productions; the ink production of China - it does not invent! - or that of movies; etc. The sum of these constraints and bans leads to a decrease in the contribution to Chinese GDP of companies with foreign capital, which went from 20.3% in 2007 and 19.3% in 2010 to 18.8% in 2017. It was in 2001, that we should not admit China to the WTO without a prior opening of its economic and political system! For example, Chinese law stipulates that Chinese companies can use licensed technology in a joint venture even when it has been dissolved! China's commercial and industrial challenge to the world is less the result of tariffs than informal rules, such as the requirement to transfer technology to China for sale, or the state's management of the economy with hundreds of thousands of dollars. billions of dollars in subsidies (more than 450 billion dollars in 2017), free credit to Chinese companies to buy foreign technology companies, or indirect interventions by state-owned enterprises - nearly 70% of assets Chinese listed companies belong to state-owned enterprises. In this context and to restore a fair trading system between China and Europe, the Competition Directorate in Brussels should request the dismantling of a number of Chinese groups as a prerequisite for the development of their activities in Europe.

### The global digital war

The clash between China and the United States for global economic leadership is central. Trump makes China responsible for the decline in industrial employment in the United States.

#### HOW TO EXPLAIN THE STRONG DECLINE IN US INDUSTRIAL EMPLOYMENT?

In addition to criticizing China, Trump's aggressive trade policy is due to his belief that the sharp decline in US industrial employment is the result of unfair competition not only from China but also from Canada, Mexico, the European Union, Japan, etc. What is it? If we start from the year 1990, before the first acceleration of the Third Industrial Revolution (see below), employment in the manufacturing industry at the end of 2017 fell by 30% in the United States, by 28% in Japan and 27% in the euro zone even though the share of manufacturing value added in GDP is strictly conserved at 12% of GDP in the United States, 16% in the euro zone and increases from 20% to 21% of GDP in Japan over the period. GDP itself has risen sharply in these three blocks. It is therefore the rise in productivity that explains the decline in industrial employment. Value added in the manufacturing industry in the United States

increased by 90% over the period 1990-2017. If manufacturing employment fell by 30%, it is because labor productivity has increased 2.7 times! While manufacturing value added increased by 90% in the United States over the period 1990-2017, domestic demand for manufactured goods increased by 150%. The rise in imports of manufactured goods is largely explained by the rise in imports of automobiles and electronic products manufactured by subsidiaries or subcontractors of US companies outside the United States! The balance mainly consists of low and mid-range products. The two key reasons for the loss of jobs and rising imports in the US manufacturing sector over the past three decades are therefore the exceptional rise in labor productivity and the consequences of American business optimization strategies! Trump is absolutely wrong when it attacks its trading partners and it is likely to provoke what it dreads: a real weakening of American industrial power!

### THE THIRD INDUSTRIAL REVOLUTION

Trade disputes are just one part of the tip of the iceberg of relations between China and the United States. The economy is at the heart of the submerged part of this iceberg. The world has undergone a rapid transformation since the 1980s, under the influence of the Third or New Industrial Revolution, which brings us into the entrepreneurial economy. After thirty-one centuries of stagnation in the standard of living and life expectancy from the thirteenth century BC to the eighteenth century, despite the considerable intellectual and scientific upheaval over the long centuries, there have been three revolutions in the eighties of their century, in the eighteenth, nineteenth and twentieth centuries. The first two have increased the standard of living by twenty and the life expectancy by three. The revolution of the 1780s was based on the steam system, that of the 1880s on the electrical system and that of the 1980s on the computer system. The notion of "system" refers to all the scientific, technical, managerial and organizational developments that make it possible to transform an innovation, for example steam, into a revolution in the production and distribution systems of goods and services. The Third Industrial Revolution is based on science and computer technology that use computers. The power of a computer depends on its microprocessors and its operating system. A nation, or a federation of nations, which does not produce its microprocessors and which does not remain at the forefront of the development of the operating systems, is in the same state of dependence as those which import all their energy. But Europe is insignificant in the global production of microprocessors and especially disinterested, when Americans and Chinese invest heavily in these areas. An industrial revolution is not a mere technical object for specialists. The strategic, political and cultural dimensions of an industrial revolution are just as important as its scientific and technical

dimensions. It is no coincidence that the great French and American political revolutions took place at the time of the First Industrial Revolution in the 1780s, and if the revolution of education for all and the changing role of women in the society began with the Second Industrial Revolution, in the 1880s.

The Third Industrial Revolution provokes the rapid development of higher education and accelerates the globalization of the economy. Explain the nature of the New Industrial Revolution, which relies on the computer system. In these pages, the term "digital" covers a portion of computer applications, including systems that are directly accessible to users through digital platforms. The economy covers all the transformations and applications resulting from the computer revolution<sup>11</sup>. Entrepreneurial iconomy - with an "i" as intelligence, computer, Internet, innovation, integration - is the fruit of three new forms of innovation, production, distribution and consumption. First, the economics of computing, the Internet and networked software, which is based, for three decades, on the lightning progress of microelectronics and systems integration. It is a scientific and technological mutation. Then, the entrepreneurial economy of innovation, which is a capital and entrepreneurial mutation that has been accelerating for two decades. Finally, the utility economy of the useful effects which is itself conceivable only by using the new computer and communication technologies to create assemblies of goods and services managed in real time by powerful software in interaction with the customer. It is an organizational and behavioral mutation reflecting a mutation of uses that favors the cognitive on the physical and has been dominant for the past decade. With the advent of entrepreneurial iconomy<sup>12</sup>, we are moving from the 2.0 world of electricity and the engine to a 3.0 world of computing and digital platforms. But to enter the 3.0 world, companies such as French and European companies must reorganize while making a huge effort to understand and adapt to changes in progress. This entrepreneurial economy is the driving force behind the future growth of intensive productivity and above all the main factor explaining growth rate differences between countries. Countries that will not be able to promote the growth of NBICs will cease to be in the race for added value. NBICs cover the four areas in which scientific and technological change is considered the fastest and the most important for the future of humanity. The N concerns nanotechnologies, which must allow to work, to operate or to manufacture at the level of the infinitely small. B corresponds to biotechnologies in the broad sense, that is to say all the knowledge and know-how on the living (including medicine and genetics). This is to intervene on genes, chromosomes or molecules constituting living cells. I covers information and communication technologies (the Internet and its applications, including the Internet of

Things, the media, big data, etc.). C represents cognitive technologies centered on the brain, artificial intelligence and robotics. Couplings between brain regions and electronic circuits will soon be successful in overcoming the deficiencies that terrify us today (coupling experiments have already been successful). This economics amplifies the globalization of value chains and favors increasing returns that contribute to the emergence of oligopolies based on the differentiation of products that it is essential to regulate if we want to maintain open markets. The transition from a mass economy to an economy of targeting the needs of the final consumer gives considerable power to companies that master the final relationship and makes the challenge of oligopolies by new entrants very difficult. Competition law and the opening up of markets, in a dynamic vision, take a central place in the regulation of this economy. The entrepreneurial economy is the result of a hyper-industrial, hyper-entrepreneurial and hyper-mobile technical change that needs to be largely financed by own funds given the risks involved. Industry changes in nature with the New Industrial Revolution. Given the dominant innovation cluster in this third technical system, the industry is redefined as any activity based on standardized and computerized processes. Thus, banking, engineering or logistics are part of the industry in the Third Industrial Revolution. All statistical categories will have to evolve quickly to take into account this mutation.

## A GLOBAL AND TOTAL MUTATION

The economic change is therefore global and total, and its effects will be felt for several decades. All activities are or will be disrupted. You have to be able to adapt continuously without losing operational efficiency. During the 2020s, several new technologies will come to maturity: the NBICs, including a rapid development of biotechnologies, which transform the health industries and the care of people, which will be more and more individualized, and the artificial intelligence and information systems, communication and massive data processing; 5G, the new generation of mobile telephony, is ten times faster than 4G, with data rates ten times higher for a transport cost of data ten times lower, in total a factor of one thousand transformation. The 5G will, from 2019, the rise of the "industry of the future" inscribed in the entrepreneurial economy, the Internet of Things, virtual reality, the connected home, and telehealth or autonomous cars . On June 14, 2018, 3GPP, the international organization in charge of defining the technical specifications of mobile networks on behalf of the seven global standardization agencies, developed the technical protocol for 5G stand alone, which is an independent protocol for 4G to significantly

increase the speed and capacity of the very mobile broadband. In addition to telecommunications, 5G will revolutionize all production ecosystems: for example, companies will be able to deploy their own 5G networks. If 5G communications are now available, it is necessary to develop compatible equipment and release the necessary frequencies. Huawei already offers 5G "active" antennas, as opposed to 4G static antennas. In particular, we need to develop 5G smartphones, the next business of the century! Is it necessary to say that the United States, Japan and South Korea have already released the necessary frequencies and that Europe is late (see the section "Europe in the economy")? Autonomous cars, by their very nature, will constitute a massive ecosystem with vehicle manufacturers and their subcontractors, who become key players in the entrepreneurial economy. The car manufacturing plants will be transformed. Partially autonomous models could account for more than 12% of new car sales as of 2022 and 25% of sales as of 2027<sup>13</sup>; exoskeletons will notably facilitate the lives of disabled people and workers, by increasing their physical abilities initially before assisting them in their intellectual tasks; industrial batteries for homes, which allow for the storage of large quantities of energy in each house or building, and electric cars in off-peak hours; civil and military drones of all kinds, robots and cobots (robots coupled to humans), with the dazzling development of artificial intelligence. Artificial intelligence aims at making software capable of replicating the processes of human intelligence, in particular to set up automatic decision-making processes in fields as diverse as air traffic control, missile guidance or the driving of autonomous cars. , facial recognition or the preparation of medical diagnoses. Some computer programs even surpass man in higher cognitive functions, such as in chess and go<sup>14</sup>. The branch of artificial intelligence that is accelerating, deep learning or "deep learning", allows to recognize sounds, images, texts, etc. These programs use "neural networks" which are blocks of interconnected computer code organized in layers so that each layer transmits to the next one more and more elaborate information. This technique, which was relaunched in 2003, has made dramatic progress in voice recognition since 2009 and in image recognition since 2011. Artificial intelligence will change the world in the next five years, for the best of the new services offered. for the worst of the stifling automatic controls put at the disposal of the totalitarian states. The only Korean group Samsung will invest 140 billion euros in the years 2019-2021 in research and innovation, including 22 billion euros for the development of artificial intelligence and 5G, and semi production capacity -conducteurs. The rise of robotics and artificial intelligence will provoke a revolution in skills. According to a study by the McKinsey Global Institute in May 2018 focusing on the United States and fourteen European countries - including Germany, France, the United Kingdom, Italy and Spain - the



total number of hours worked in these countries will increase by 2030 but the skills to stay competitive will evolve. The use of physical and manual skills and basic intellectual skills, which account for 49% of hours worked in 2016, will decrease by 15%, while the use of high intellectual skills and social and emotional skills, which account for 40% of all hours worked in 2016, will decrease by 15%. % of hours worked in 2016, will increase by 15%. The use of technological skills, that is 11% of the hours worked in 2016, should increase by 55% by 2030! It is clear that countries that do not invest in initial and vocational training to develop the intellectual and technical skills of their workforce will decline in the ranking of nations. For Europe as a whole to prevail against the major US and Chinese players in the economy and artificial intelligence, it is necessary to create "data commons" in the European Union while prohibiting the transfer of data. outside the European Union in order to avoid the plunder of our resources, foster the emergence of leading research centers and powerful industrial players in computer science, artificial intelligence and robotics, and invest heavily in the microprocessor industry. Otherwise, Europe and France will be minor players in the colossal transformation under way. In the immediate future, the Europe of start-ups of artificial intelligence remains to be built. Of the 3,465 start-ups operating in artificial intelligence in 2017 worldwide, the United States had 1,390, China 380, Israel 360 and Europe 770. But the European position is virtual, because we count 245 start-ups in the United Kingdom on the eve of Brexit, against only 240 for the three countries Germany, France and the Netherlands, or just 7% of the world total. Above all, there is no European ecosystem, each country financing its own start-ups according to its rules. The risk is that post-Brexit Europe will appear as a minor player in digital transformation based on artificial intelligence. The economy is not a concept for specialists or a possible future among others: it is at the heart of reality and will completely structure it in the next three decades. The hierarchy of nations will be upset: the European Union could be, without systemic and strategic reaction, a market buying American and Chinese products and services within five years and underdeveloped. here in ten years. The world 3.0 took off with a global middle class, able to buy these new products, which is expected to grow from 50 million people in 1850 for the First Industrial Revolution and 500 million people in 1950 for the Second Industrial Revolution, to 5 billion in 2030, according to UNCTAD (United Nations Conference on Trade and Development), for the Third Industrial Revolution.

Sino-American Rivalry in ICONOMICS

Europe is lagging behind China and the United States, in the revolution of the economy against the American Gafam (Google, Apple, Facebook, Amazon and Microsoft) and the Chinese BATHX (Baidu, Alibaba, Tencent, Huawei and Xiaomi). When you want to surf social networks (with Facebook, Instagram, Twitter or LinkedIn), search for information on the Internet (with Google, Bing, Yahoo), buy online (with Amazon, eBay, Paypal) or turn on a computer (with Apple and Microsoft), we do not escape the American giants of the Web. At least in Europe! Because in China, this is not the case. The Chinese authorities have strongly framed the digital economy for mainly political reasons before being industrial. But the positive industrial consequences are numerous. Created in 2000, Baidu, the Chinese Google introduced to Nasdaq in 2005, is the most used search engine in mainland China, making it the fourth most visited website in the world. Baidu copy Google, which withdrew from the Chinese market in 2010 because of political censorship, and offers downloads of movies and music, data storage, online payment, etc. Alibaba is a global e-commerce giant introduced to the New York Stock Exchange in 2014. The group has its own payment system (see below) and holds shares in Chinese equivalents of YouTube and Twitter. Tencent manages the WeChat instant messaging application, with 980 million users, auction sites, online games and the QQ.com portal (more than 900 million active accounts). Huawei is growing in software and digital services, 5G and smartphones, of which it was one of the three major global producers in 2017. It is also the first of the three major telephone equipment manufacturers with Ericsson and Nokia, which it grinds croupiers in Europe (In France, all operators, except Free, have equipment manufactured by Huawei, including SFR and Bouygues). Xiaomi is a kind of Chinese Apple that makes smartphones, televisions and connected objects. We can also mention JD.com, which competes with Alibaba in the sale of high-profile products, Didi Chuxing, which is the equivalent of Uber in China, etc. On August 1, 2016, Uber transferred its Chinese car rental business (VTC), which was losing a lot of money, to Didi Chuxing, compared to 17.7 percent of the capital of the new combined complex. Didi Chuxing is also a major shareholder of Grab, which wants to become the digital leader of Southeast Asia from its strong positions in the VTC and motorcycle taxis in front-end competition with Uber in these markets (Malaysia, Indonesia, Thailand, etc.). China is also in the forefront of the fintechs, these technology companies active in finance<sup>16</sup>. These payment services work with e-commerce platforms. More than 900 million Chinese surf the Internet from their mobile 4G, more than the combined population of the United States, the euro area and Japan (795 million). The fact that personal data is easily accessible in China promotes the development of artificial intelligence in finance, as in other sectors. More than ever, China is imperial at home and offensive everywhere else ... Ant Financial,

the financial company of the Chinese giant Alibaba, announced on June 8, 2018 a fundraising of \$ 14 billion to finance its international development, the lifting the largest ever made in the world by an unlisted company. International investors, including US funds, rushed to participate in the operation of this unicorn - a start-up of more than \$ 1 billion in valuation - considered the largest in the world with a valuation of about 150 billions of dollars before a probable IPO at the beginning of 2019. Ant Financial is the Alibaba subsidiary created in October 2014 which owns Alipay, the Chinese payment platform created in 2004 which manages 900 million customers and which is developing at any time. look in the world and especially in Europe. Alipay targets 2 billion customers. WeChat Pay, a subsidiary of Tencent, strongly competes with Alipay, which is therefore seeking to expand internationally. In 2017, Alipay alone held 53% of the mobile payment after losing some ground to WeChat Pay (34%). Chinese authorities are increasingly regulating mobile payments as hundreds of billions of yuan "sleep" in Chinese phones that do not immediately transfer payments they receive to their bank accounts.

The Chinese central bank has just forced these companies to pay 100% of these funds into unpaid bank accounts so that it does not lose control of monetary policy. The vigilance of the Central Bank is explained in particular by the fact that the payment in cash is endangered in China! In order to avoid drifting, the Bank requires operators to set daily mobile payment limits based on the creditworthiness of each customer. Alipay now wants to equip national retailers in Europe and Asia. The Chinese payment application has already convinced more than 50,000 merchants in Europe two years after its arrival on the Old Continent (Alipay equips 40 million merchants in China). Alipay has a strong presence in the United Kingdom, Germany and France, where it serves Chinese tourists, who represent a quarter of the turnover of companies in these countries specializing in luxury goods. Alipay wants to become the first global financial application. By scanning the QR Code of the products it buys, Alipay's customer gets information about where it is - information from Alipay - and receives personalized promotions. Alipay wants greater integration of the payments market in Europe in order to become one of the main players. In the absence of major digital players in Europe, all attempts to integrate the European market or transparency as the RGPD (general regulation on the protection of personal data, operational since May 2018) first benefit the major US players and Chinese digital. The European Commission is thus the main vehicle for penetrating the European market by the Americans and the Chinese! The Sino-American rivalry in the economy is played in three areas: artificial intelligence, 5G and the autonomous car. When the United States imposes sanctions against Huawei and ZTE for

security reasons, they mainly aim to weaken Huawei and ZTE in their future 5G development activities, which is already at the heart of accelerating innovation in the economy. Indeed, the 5G will facilitate the development of autonomous cars and trucks and all robots and cobots connected, to enter the world of hundreds of billions of connected objects that will punctuate our future lives and accentuate the boom of virtual reality techniques. Artificial intelligence is at the heart of the development of all these technologies. All these transformations will open annual markets bigger than the sum of the GDP of Germany and France before ten years. Shanghai is playing with Silicon Valley and may be overtaking it. China is taking a step ahead of the US in some areas of artificial intelligence, which is key to the shift of digital technologies from digital assistants to autonomous cars. A 2016 US report noted that the number of Chinese scientific articles on deep learning, which is key to artificial intelligence, has surpassed the number of articles published by Americans. China has strongly accelerated in these areas in 2017-2018. Global growth related to the only artificial intelligence by 2030 will reach the equivalent of current US GDP! Major Chinese groups like Alibaba and Tencent are investing in this area, like Baidu and many Chinese start-ups. Tencent, which is very profitable and has bought 5% of Tesla, is also investing in the autonomous car and aims to put as soon as possible on the road vehicles that would be electric and autonomous. To achieve this goal, Tencent has partnered with Foxconn, the electronic giant. The concentration of economic players is stronger in China than in the United States. The three giants (Baidu, Alibaba and Tencent) have direct or indirect holdings in half of the 124 Chinese start-ups each worth more than \$ 1 billion and 80% of those worth more than \$ 5 billion<sup>17</sup>. While the three US giants (Google, Amazon and Facebook) hold 5% of the global private equity market in the United States, the three Chinese giants hold more than 45% of the Chinese equivalent market. Although concentration is stronger in China than in the United States in the economy and private equity, it is a major problem in both countries. Indeed, the American and Chinese giants behave as predators of start-ups that can compete with them, which speeds up the concentration in the economy. China's only immediate weak point in the digital revolution is that Chinese digital companies are mostly listed outside of China. Alibaba, Baidu and JD.com are listed on Wall Street, Tencent in Hong Kong. To bring them back to China, China is launching Chinese Depositary Receipts (CDRs), which will allow Chinese companies listed abroad to issue shares in mainland China. In connection with its new technological and financial power and to shake the global oil market and strengthen the global role of its currency and its financial markets, China launched on March 26, 2018 its own futures oil futures. China became the world's largest oil importer in 2017, with 420 million tonnes. Futures contracts set the price of a product at a future date, in

a month or a year, for example, which protects buyers of this product from price changes. These contracts are quoted in yuan in Shanghai to compete with the two world references, the American WTI and English Brent, which are quoted in dollars. The fact that China is a dictatorship that controls its markets and its currency should slow the rise of its oil contracts in yuan. They will however be a good indicator of Chinese oil demand and a price reference in China. China is also pushing the development of electric and hybrid cars to preempt the innovations of Western manufacturers, as mentioned previously, and fight against local pollution. China produced 27 million vehicles in 2017, compared to 17 million in the United States and 15 million in Europe, and is expected to produce 32 million by 2024. The goal of the Chinese automakers is to win over the set of Asian markets. China wants to be able to determine the future standards of the electric car in the world, both for batteries and for traction chains.

## THE DIRECT DISTRESS OF AMERICAN AND CHINESE DIGITAL TITANS

The American and Chinese tech giants have essentially grown into separate worlds over the past fifteen years: in terms of most of their revenue, the expanded Triad for Americans and its one billion inhabitants connected (North America, Europe, Japan and developed countries allies of the United States such as Australia, South Korea or the metropolis of South America), and China for the Chinese and its billion connected inhabitants . A titanic fight for control of the next billion people connected to significant purchasing power or billion useful in strategic terms began between Chinese and American techs in the 2010s, with acceleration in 2017-2018, and will intensify in the next five years. The next useful billion is growing rapidly under the triple effect of rising living standards in emerging countries, the rapid growth of Internet infrastructures in these countries and the exponential growth in the use of smartphones. We saw how Didi took Uber out of China and did the same in Southeast Asia. Didi takes stakes in local companies in strong development when Uber deploys its American model. This opposition of deployment models is general. The three major US networks of global digital dominance (Google, Facebook and Amazon) are deploying their US model, barely adapting it to local realities, and relying on advertising systems that are almost identical to those used in the United States. Google customers use the same Chrome browser and those of Facebook the same WhatsApp and Instagram apps in Paris, Sydney, Brasilia, Tokyo or New York. The turnover of Google and Facebook is already more than 50% realized outside the United States. When Amazon develops in Europe or India, it builds similar warehousing networks and offers services comparable to those available in the United

States. In doing so, American techs follow the tradition of Coca-Cola and McDonald's which assumes that what is good for the Philadelphian American is for everyone. The three major Chinese networks of global domination advance masked even when they face their American rivals: Alibaba against Amazon, Baidu against Google and Tencent against Facebook. Alibaba buys or takes stakes in local businesses and keeps their names when Amazon is everywhere. Similarly, Tencent buys premises while Baidu invests heavily in artificial intelligence by anticipating that its technologies will be used by all players in five years. Tencent, Alibaba and its subsidiary Ant Financial are leading players in more than 40% of all unicorns in Asia.

This difference in behavior is due in particular to the fact that Google and Facebook derive most of their sales from advertising while Chinese Techs have developed by selling physical products and creating payment systems that have quickly switched to Smartphones. Non-Chinese people in Asia do not necessarily want to know that the distribution of products or the payment systems they use are of Chinese origin. Indian start-ups received Chinese investments of \$ 5.2 billion in 2017, while those in South-East Asia received \$ 6 billion in the same year without these investments being perceptible by users of products of these start-ups. It is interesting to note that Chinese investments in the Tech are directed in particular towards the countries targeted by the Chinese Belt and Road Initiative: pure chance or governmental instruction? Winning the next billion connected citizens with significant purchasing power justifies all the risks and blows. The amount of investment made by the ten major US and Chinese giants Tech has tripled in the last five years to reach \$ 160 billion. With acquisitions and equity investments, the amount reaches \$ 215 billion. A further tripling over the next five years is likely, notably as a result of the leasing of computing capacity (software and cloud storage) by non-tech companies, the development of the Tech's titan physical networks as Amazon, Alibaba and Tencent, and investments of these same titans in emerging companies of Tech. Who could imagine in the year 2000 the technological and geostrategic upheavals that we observe in 2018? The transformation of the world that is getting ready by 2025 is even more important than the one we have seen since the beginning of the century. World history has become like a movie that is accelerated.

### The European Union in the economy

This is a decisive point for the misunderstanding of European leaders who only marginally commit themselves to the Third Industrial Revolution: they do not understand the strategic implications of the revolution in the economy which began in the 1990s 1980 by the

emergence and generalization of centralized computerized production and distribution systems, after the rise in power observed in the 1970s.

## UNDERSTANDING THE ACCELERATION PHASES OF THE NEW INDUSTRIAL REVOLUTION

A first acceleration of the economic revolution took place in the 1990s as a result of the networking of hundreds of millions of microcomputers through the Internet. The second acceleration occurred in 2007 with the commercialization of the first smartphone, the Apple iPhone, resulting from the request of Steve Jobs to its engineers, to make it simple, put a computer in a phone and make it easy of use by a touch screen. The third acceleration has been ongoing since 2015 with the simultaneous ramp-up of artificial intelligence and 5G, which will be deployed massively by 2025. The third acceleration in progress, that pseudo-geniuses of marketing want to dress up in the Fourth Industrial Revolution to impress the good guys, is reaching the quintessence of the Computer System Revolution, that is to say that point from which the intelligent and virtuous man can rise above him - even to achieve a better understanding of the world and itself. This progress is made possible by the power of data analysis and the instant availability of all human knowledge if we have learned to understand and master it. Conversely, evil and greedy men use computers to control or strip others. Hence the importance of ethical issues and cyber security in the digital revolution. Those who miss this third economic acceleration are like the cows who saw the first acceleration of transport when the man climbed on horseback, the second acceleration with the first trains and the third acceleration with the planes. They continue to graze the grass. In addition, the three transport accelerations took three millennia. The three accelerations of the economy take place in three decades. European leaders, including those under the age of 50, have an intellectual and strategic frame of reference rooted in the 1970s, and even for the most talented in the 1980s, in the dual emergence of computers and globalization. They did not perceive the three accelerations that are changing the value chains and comparative advantages of nations. Europe will be underdeveloped, in relation to the mutations at work in China and the United States, before the end of the 2020s. Unless there is a miraculous initiative! The economy is a transformation that can allow a rise in the standard of living and an improvement of the content of the jobs if the competition between the firms maintains open markets, but it can also be captured by powerful monopolies, like the Gafam whose capitalization cumulated market share is higher than Germany's GDP. If we add the other American successes in the digital economy with microelectronics and biotech, the

capitalization of these players is in the order of the combined GDP of France and Germany. The BATHX follow the same movement. It is therefore essential that the economy be regulated by the democratic states that want to remain so. These states must above all fight against monopolies when they reign over the world, promote the development of start-ups in a competitive universe and the accumulation of productive capital on their territory. It is even more important that a hard core of relevant European powers bring out the great European economic leaders by the conduct of an ambitious and determined strategic policy, according to the diagram that I will expose to the next chapter. The likelihood that a European hard core will emerge depends directly on the immediate understanding of European political leaders of the economic revolution and the three accelerations at work. Wedged between the Gafam and the BATHX, and in the absence of a true digital single market structured by European industrial actors, Europe can not produce a sufficient number of digital unicorns (these start-ups have a value market over \$ 1 billion) to bring out global players in the economy. While Baidu invests heavily in artificial intelligence, with more than 5,000 researchers on the subject, there is no equivalent private operator in Europe. The fight for world supremacy in the technologies of the future is played between Gafam, BATHX and Samsung.

#### WHY DOES EUROPE FAIL WHEN IT HAS ALL THE STRENGTHS TO SUCCEED ?

A point of strategy and method. When the two big players of the New Industrial Revolution, the United States and China, favor technologies such as artificial intelligence, autonomous cars or electric batteries, they always associate several national companies in competition on the development of these technologies. and their applications with a suitable regulatory environment. And they heavily fund the strategy implemented with public money, whether through research grants, bank loans that are not repaid (China) or apparently private private equity but obedient to the government (US- United). The regulatory environment is designed to allow foreigners to bring their ideas without being able to control the technologies developed. This is, for example, what the Chinese are preparing when they announce that they will ban gasoline or diesel cars from their cities in 2040: the goal is to improve the air quality while making to emerge Chinese champions of the electric motor at the global level. Europe, in the same context, conceives a regulatory environment open to the Chinese and Americans, at least as much as Europeans, and is not concerned with emerging industrial leaders, or control the applications of these technologies by a adapted policy of patents and standards. The European Union has a regulatory and "a-strategic" vision of the



world. The regulatory approach is helpful in supporting a powerful strategic vision, but a-strategic regulation is a deadly poison. The European Commission has announced in April 2018 an initiative for artificial intelligence, highlighting the urgency of the subject. With just ten years behind the United States and China! The Commission proposes to invest EUR 2 billion by 2020 hoping to generate another EUR 2 billion in investments via public-private partnerships in big data and robotics. This is obviously better than nothing knowing that all public and private investment in artificial intelligence is of the order of 4.5 billion euros for the whole of the European Union. But it is three times less than in Asia (China, Japan and South Korea in particular), and four times less than in the United States. On the other hand, Europe is ahead in the preparation of ethical charters for the use of artificial intelligence. They will indeed be useful for regulating the purchases of artificial intelligence-based systems that we will import from China or the United States ... The existential aspect of the economic revolution is not understood by the European political and media leaders. It's not just about prosperity but about freedom. Not only will the Third Industrial Revolution reposition all countries on the value-added and prosperity scale over the next ten years, - countries or continents that fail this revolution becoming relatively poor and helpless relative to the winners - but the losers in the economic and technological war will be marginalized politically and culturally. Moreover, the winners will be able to use these technologies to subjugate individuals but also nations by generalizing the Chinese system of social credit to people as well as individuals. Not only will there be deviant individuals, but there will be deviant peoples who collectively think badly or threaten the interests of the dominant technological powers. These peoples will have to be muzzled or even exterminated. The strategic-a-strategic approach of the European Union in the Third Industrial Revolution prepares the enslavement of the European peoples.

## REGULATION AND STRATEGY IN THE TECH: THE QUESTION OF BABIES TITANS

The titans of the Tech are monopolies in their respective territories (extended triad and China) and oligopoly fighters on the vast territory containing the next billion connected citizens with significant purchasing power (HC-PAS). There will be 3 billion HC-PAS in 2025, 4 billion in 2030 and 5 billion in the 2030s. The titans will stop at nothing for the control of the market of HC-PAS, which opens the doors of absolute power, as the Earth has never known. There is, to strike the spirits of the impotent and repulsed European elites, three phases of human history. The first, since 1300 BC J-C. until the year 2000, which allowed man to master the knowledge and build machines that led him to dominate nature,

the third, from 2025, to infinity which will see the total confrontation Titans of the Tech and the end of the world, and the second, from 2000 to 2025, during which are born and develop the titans who will write the story of the future. The period 2000-2025 will go down in history as that of the Great European Sleep. The awakening will be more than painful, because it will have the taste of the foreseeable annihilation. Meanwhile, Europe is regulating ... Modern economic theory, especially in the United States and even the official doctrine of competition law in this country, considers that monopolies are not necessarily bad, on two conditions: they innovate continuously and can be challenged by new entrants in the markets in which they operate. The central question about the tech titans, as they seemingly continue to innovate, is this: can they be challenged by titans? Let's call it the "baby titans issue". Facebook started as a social network, Google as a search engine and Microsoft as a software manufacturer, but all three are now data manipulators, especially to produce today targeted advertising and tomorrow manufacture services based of artificial intelligence of which we will be partly slaves - in any case, it is the secret dream of the titans of the Tech. The problem is that if you capture more data faster than your competitors, your artificial intelligence tools are the best and soon unbeatable. Two approaches are possible: 1 / break the titans to multiply the number by reducing the average size. For example, forcing Facebook to resell WhatsApp and Instagram (giving each owner of a Facebook action a WhatsApp action and an Instagram action) or separating Amazon's distribution from its cloud service to prevent cross-financing ( each shareholder of Amazon receives a Distribution action and a Cloud action), or separate Google from Waze so that Google does not collect more data on our movements in addition to those collected on our research on the Internet; or 2 / consider that data is a common good and oblige titans to share their data with start-ups who can then offer alternative services. The first approach is that of Separation and the second that of Data Sharing. Data sharing can involve raw data or meaningful data that includes data carrier relationships, or even data already reworked by artificial intelligence. Sharing can intervene via interfaces, which leads to talk of regulation by API (Application Programming Interface) and therefore to request an interface key or API key. Everyone would have the right to his interface key for his data: a right to an API key. The Separation approach can work directly and seems the most operational. The shareholder of Facebook is not spoliated but receives three actions: a Facebook action after separation, a WhatsApp action and an Instagram action. It is even possible that the shareholder value after separation increases. The Sharing approach poses many problems, some of which are difficult to surmount in a market economy: which defines the data and the level of transformation of the data that must be shared, which defines the rules that require the

sharing of some and not to other, who indemnifies shareholders after the decline in the value of shares as a result of sharing? How many people are able to use their API key? As for the RGPD, the titans will face the alternative of accessing all their requests or losing their services. In fact, the issue of baby titans, in the absence of an understanding of what is at stake in the third acceleration of the Third Industrial Revolution, is biased. Because Facebook has swallowed WhatsApp and Instagram in the recent past, titans innovate primarily by eating titan babies. So the titans justify their monopoly in the name of "their innovations in a market that can be challenged by new entrants" when in fact they innovate by devouring new entrants. Tel Cronos, son of Ouranos and Gaia, king of the Titans who ate his children, the titans of the Tech justify their monopolies by their own crimes!

We have seen that Europe is lagging behind in the revolution of the economy against the American Gafam (Google, Apple, Facebook, Amazon and Microsoft) and the Chinese BATHX (Baidu, Alibaba, Tencent, Huawei and Xiaomi). It should be added Didi Chuxing, who is chasing Uber of Asia, the Chinese titans and Netflix to the American titans. Netflix produced eighty films in 2018, far more than any other American major. The new super major has invested \$ 13 billion in production, a third more than in 2017! It affects 125 million households and soon 200 million, excluding China, where it is not allowed to operate. All television channels that do not produce content are withering in the western world. This leads to mergers like those envisioned by major US communication groups in an attempt to resist. Mergers largely banned in Europe and particularly in France, the regulators of these countries living in the Middle Ages. They believe they are doing well by banning the emergence of European leaders without realizing that small European players will be swallowed by Chinese and American giants. It is therefore appropriate to oppose the six American titans Gafamn to the six Chinese BATHXD. In Greek mythology, the twelve Titans are the giant primordial deities who preceded the gods of Olympus. The gods of Olympus ruled men. The new titans rule the HC-PAS. It's a lot less poetic and much more effective. If the European Union were governed by ambitious visionaries for their people, rather than by picky bureaucrats, it would put the regulation of the tech giants in a dynamic vision based on the Separation approach. It is a question of stopping the slaughter of baby titans by the American and Chinese Cronos to allow the emergence of baby titans, then of European titans regulated. To impose oneself in the economic revolution is therefore a question of political and cultural survival and not only technological or economic. By the ridiculous budgets that the leaders of the European Union and the European States put on the technological development in the economy, one can infer their strategic misunderstanding of

the mutations at work. The European Union, with fragmented digital markets, which produces regulations that favor the rise of the titans of the American Tech and Chinese on its soil, has become the matrix of its economic annihilation. And yet! Only Europe has the economic potential to change global geostrategic balances. What political instrument can one imagine to give it the will to act?

## CHAPTER 4

### **Can the European Union weaken the Sino-American duopoly and control Russia?**

In the introduction, it appeared that the combined weight of the United States and China was 40% of world GDP and 55% of world military expenditures in 2018, compared to 1.8% of world GDP and 4% military expenditure for Russia. The combined weight of India, Brazil and Russia being 7.7% of world GDP, appears a black hole in the global economic cosmogony. Where is the rest of the world's GDP hidden? This is indeed an interstellar "black hole" because the European Union succeeds in the miracle of representing 21.5% of world GDP in value whereas it is non-existent strategically and its meager military expenditure outside France are used to purchase US military equipment. In astrophysics, a black hole is a celestial object so compact that the intensity of its gravitational field prevents any form of matter or radiation from escaping it. By symmetry, the European Union is such a compact land object that the intensity of its political and economic turmoil, leading to suicidal competition by fiscal and social norms, and the tightening of the opposition between liberal and illiberal democracies form of power or geostrategic influence to escape.

A model of shared sovereignty adrift The European Union has been claiming since Gaston Thorn that it is built on an original institutional model based on "shared sovereignty" while it practices within it a confrontation of economic egoism and more and more assertive policies. Let us illustrate this operation with the recurring difficulties of reforming the euro zone.

### THE SCALING OF THE EURO ZONE

In March 2018, in Berlin, Mark Rutte, Prime Minister of the Netherlands, declared that Europe was not "a train that we can not stop towards federalism". He strongly opposed the idea of a euro area-specific budget and the proposal to create a euro zone finance minister.

For him, the urgency is to reduce the deficits and the debt in each member country of the zone and to reduce the budget 2021-2027 of the Union to twenty-seven following the departure of the United Kingdom. It is out of the question that the north of the euro zone takes over the debts of the South. The Dutch position is shared in a low voice in Germany and by many other North European countries. The Finance Ministers of eight Northern countries (Denmark, Finland, Estonia, Latvia, Lithuania, Sweden, the Netherlands and Ireland) issued a joint communiqué on 6 March 2018 in which they state that a "Economic and Monetary Union more strong requires above all decisive action at national level and full compliance with the common rules ". The same countries reiterate the need first to limit financial risks within the Banking Union before pooling them. For the countries of the North of the European Union, there can be no financing of Southern debts by the North. For them, the economic recovery, which also weakens in 2018, seems to solve the problems of the eurozone that would not need systemic reforms. Moreover, populism is only a temporary problem and everything will be solved if all European countries balance their public accounts. Finally, the economic power of Germany and the Netherlands is without gray area and the surplus trade balance of these two countries attest their ability to impose themselves in the world of tomorrow. There are two very serious faults in reasoning at Rutte. The first is that the populist wave does not decline. After the consolidation of the AFD, in Germany in September 2017, and the thrust of the Northern League and the Five Star Movement, in Italy in the elections of March 2018, Viktor Orban triumphed in the Hungarian legislative elections in April 2018. The Democrats of Sweden have increased by almost five points their score in the parliamentary elections of September 2018 compared to 2014, to almost 18% of the votes: in Sweden (!), Which knows no economic crisis, but under the effect of immigration. The populists, but also many pro-Europe Europeans, reject Europe without borders and openness to international trade without reciprocity, especially against the United States and China. They expect a credible policy in the face of unbridled immigration and the maintenance of high unemployment, especially among young people in the South and particularly in France, Italy, Spain and Portugal, not to mention Greece. The longer Europe waits to deal with the issues of immigration and mass unemployment of the untrained or unskilled, the more the risk of an uncontrolled populist explosion becomes possible. Already, in Italy, the initial rejection by the President of the Republic, Sergio Mattarella, of the government proposed by Giuseppe Conte in May 2018, on the grounds that he proposed a eurosceptic finance minister, Paolo Savona, led the leaders of the League North and the Five Star Movement to violently attack the Italian institutions and the President. However, if they had to change their finance minister, the next opportunity could

end differently if their political base is strengthened. The second flaw is that despite Germany's and the Netherlands' staggering external surpluses, Europe is collapsing in relation to China and the United States in the digital war. There are no major digital platforms in Europe, including Germany and the Netherlands, facing Gafam (Google, Apple, Facebook, Amazon, Microsoft, Netflix) and BATHXD (Baidu, Alibaba, Tencent, Huawei, Xiaomi and Didi Chuxing). And if Europe has brilliant researchers in artificial intelligence, they will work more and more for the Gafam. In fact, the European Union has become a US digital colony for the management of its data and the battlefield of Chinese and American digital giants in artificial intelligence and 5G. The RGPD, general regulation on the protection of personal data, implemented from 25 May 2018 in the European Union, is a weapon of development for Gafam who have, more than all their potential competitors, the means to implement and make it a marketing argument for their development!

The RGPD is a lost opportunity, because it was necessary to impose that the storage and the processing of the data are entirely realized on the European soil, which it does not do. Once again, the European Union regulates without a strategic vision or a desire to assert its interests. At the same time, the euro zone is hit by a north-south divide between industrial exporting countries from the North and the South having lost a significant share of their industrial production capacity and the jobs that go with it, France having experienced the the strongest deindustrialisation of Southern countries since the year 2000, due to the demobilization of the country at the time of implementation of the thirty-five hours, in 1999-2000, which broke the work ethic. As an illustration of this divergent evolution, the manufacturing industry only accounts for 10% of GDP in France, compared to 20% of GDP in Germany. Each industrial job generates one (one-and-a-half) additional jobs in services, while industry spearheads exports and research and development everywhere. The industrial divide between the north and the south of the euro area is not a technical problem but an eminently strategic and political issue.

#### LIBERAL AND ILLIBERAL DEMOCRACIES

The European Union is dividing more and more into two blocs: the liberal democracies in the West and the illiberal democracies in the East. The former accept and the second refuse or disguise, at least it is the reproach that is made to them, the three foundations of the European democracy: the free election of the parliaments and the leaders, the separation of the powers, and the fact that the The law applies to both leaders and leaders in the rule of law. In addition, modern liberal democracy prohibits theocracy, promotes the representative system and protects the freedom of opinion, including intellectuals and journalists. The separation of powers is directly attacked in Central Europe, for example by repeated attempts

by the Polish government government to control justice in 2017-2018. The elections are directed by the media to orders and direct pressure on opponents by the state apparatus, for example in the Hungarian elections in 2018. Journalists who denounce the links between the rulers and the occult powers have an unfortunate tendency to die young. In Italy, populist movements advocate direct democracy - obviously never expressed by secret ballot as soon as one holds power - by mocking the representative system. General meetings with show of hands are typical of totalitarian regimes, extremist parties and undemocratic unions. In many countries, the rule of law receives an application with variable geometry. For example, in Hungary, the reform of the 2011 Constitution reduced the powers of the Constitutional Court, which can no longer rule on the merits in the event of a change in the fundamental law, while the government has the means to directly influence the composition of the Court. In the same country, serious irregularities and conflicts of interest are recurrent in awarding public contracts largely financed by the European Union, according to the anti-fraud body of the Union. The countries of Central Europe have also clearly dissociated themselves from the countries of Western Europe in the reception of migrants, even if the disordered German policy of 2015 created an immigration appeal that the German Chancellor herself has regretted in 2017. They refuse any adjustment to the structural transfers they receive in the context of the preparation of the EU's multiannual budget 2021-2027, the balances of which are modified by the exit of the United Kingdom at the end of 2020. have not entered the Europe of the Treaty of Rome, which aimed to prevent a new war on the European continent, but in a subsidy supermarket without commitment of political solidarity with their financiers.

The United Kingdom has encouraged this silent dissent by enlisting the Central European countries in their fight for tax and social competition within the Union, which developed from the Maastricht Treaty in 1992. The latter confirmed in particular that all European tax decisions should be taken unanimously. The countries of Central Europe have the right to have a different worldview from that of the countries of Western Europe. But this divergence of views must not lead Europe to remain indefinitely the weapon with the foot. Note, in connection with this divergence, that it was Viktor Orban himself who used for the first time the expression "illiberal democracy" in a speech delivered on July 26, 2014. In this speech, Orban recalled that Hungary enthusiastically embraced the Western democratic model during the 1990 political transition. But Hungary had simultaneously adopted an ultra-liberal economic system marked by the sale of entire sectors of its economy to private interests not always commendable, just as Russia after the disintegration of the Soviet Union in December 1991. Moreover, Orban observes that "the liberal organization of society is

based on the principle that everything that does not infringe upon the freedom of others is permitted, but that [...] it is often the strongest who determines what infringes or not the freedom of the weakest ". If this point is often correct, Orban deduces that liberalism threatens the weakest sections of the population and that it should be protected by a strong power that must foster a closed world. Orban then wants the "new state we are building in Hungary, a non-liberal state, do not deny the basic values of liberalism, including freedom, but it does not put this ideology at the center of the organization of the State ". The problem is, of course, that he puts himself at the center of the state organization, as Putin does in Russia. Moreover, liberal democracy has never advocated the sale of entire sectors of the economy to private interests since it is the Russian or Hungarian ex-communist bureaucracies that have appropriated these state enterprises in their personal capacity. On the other hand, liberal democracy advocates open tendering and transparency in strict compliance with the law while preserving the country's strategic interests. Finally, liberal democracy is built on the rule of law that states that the law applies to both rulers and ruled, and that therefore rulers can not put themselves at the center of the organization of the state and over laws. The distinction between liberal and illiberal democracies should not lead to ignoring the increasingly pressing demand of peoples to preserve the identity and sovereignty of nations, which is perfectly compatible with liberal democracy. Identity is vital to give people the strength to fight in an increasingly harsh world. To win, roots and wings are needed to serve a powerful strategic vision. This identity should not be defined in a closed way - a race, a religion or a sexual preference - but on the basis of a set of principles that underpin the dignity of the free man ("man" is a generic term that covers all sexes ...). The technocracies of democracies have not preserved the identity of peoples whose traditions are mocked and the founding principles are ignored, despised or pulverized. Exemplary historical characters are forgotten or ridiculed. The denial of the identity of peoples is not a constitutive element or consequence of liberal democracy, which is essentially an optimal method of government when it is exercised by intelligent, honest and determined people. Liberal democracy is not an instrument that can substitute for the constitution of a voluntary and exemplary ruling class. Such a ruling class is generally formed in the service of a national strategic project that will make the qualities and dignity of a people and the individuals who compose it shine. Today, in the still liberal democracies, where are the strategic projects giving envy to the individuals and the peoples to surpass themselves, where are the charismatic and determined rulers working for the only collective interest, where are the principles giving to the individuals and to the peoples Roots and



wings ? The illiberal democracies are a poor substitute for the ideal combination of a powerful collective project implemented within the framework of liberal democracy. The totalitarian states are the negation of this ideal combination. But if the ruling classes are not able to quickly give roots and wings to their people, after three decades of scorn of nations, the working classes and the middle classes, the number of liberal democracies will continue to shrink as skin grief. The illiberal democracies and totalitarian states will triumph while preparing the end of the freedom of men and peoples. The current European Union, which advocates a technocratic model of shared sovereignty that covers the transfer of these sovereignties to a bureaucracy not only politically irresponsible but especially without roots, without wings and without strategic vision, is an accelerator of the triumph of illiberal democracies within of the Union. A Union that has self-destructed politically and historically by the Maastricht Treaty, which has codified the competition, tax and social within it. The latter is looting the people for the benefit of multinationals and renegade micro-states that are gorging themselves on this competition such as Luxembourg, Malta, Cyprus or Ireland. A Union that, on the world political scene, is strategically powerless and politically ridiculed by China and the United States, who trample on its flag in the eyes of all. Even the economically minor totalitarian states like Turkey "pee" at night on this flag while accepting the day's subsidies from a still rich Union. How can we hope for the triumph of liberal democracy and the political and strategic influence of Europe under the effect of an institutional system that undermines the first and fragments the second? The single market subject to the same tax and social rules is a vital necessity if we want to save the regime of liberal democracy. And only a policy of power led by a hard core of volunteer nations can avoid the submission of Europe, which enervates great people and disgusts free men. An increasingly abject submission that prepares the dissolution of the European dream. These two divisions, industrial - between the North and the South - and political - between East and West - will not disappear and will again worsen at the next economic downturn, which is likely closer than expected if US trade policy continues to favor protectionism or if interest rates rise significantly. These divisions, exacerbated by intra-European tax and social competition, are accompanied by growing structural heterogeneity in the euro area.

#### GROWING HETEROGENEITY OF THE EURO AREA

Not only does the weight of manufacturing industry diverge in the euro area, but the per capita income of the southern euro area countries has fallen sharply relative to per capita income in Germany. GDP per capita fell by more than 11% in France compared to Germany from 2005 to 2017, 12.5% in Spain and 15.5% in Italy. In other words, the French lost by 11%, the Spaniards by 12.5% and the Italians by more than 15% compared to the Germans,

whereas the euro was supposed to favor the convergence of standards of living among member countries. Economic theory shows that the monetary unification of territories with different economic endowments leads to a specialization of these territories in terms of economic activity without guaranteeing a homogenization of financial systems. Countries maintaining a strong industry and a sound financial system can finance productive investment, research and development, and innovation of products and services. Italy and Spain, having suffered a severe financial crisis in the years 2010-2015, have struggled to resist the competitive pressure of the countries of the northern euro area. France resisted better at the time of the crisis thanks to the strength of its financial system, but could not avoid a decline in its international competitiveness due to the increase in the cost of labor, resulting from the week thirty-five hours of work paid for thirty-nine hours generalized in the year 2000 when the other countries accentuated their efforts of innovation and investment, and the decline of the weight of its manufacturing industry. The reduction in working hours was accompanied by a speech about the end of the industry and the "factory-less enterprise" that dominated the French economic thinking of the 1996 Robien Act to the law on hardship. 2014. It was not until the implementation of the Liability Pact in 2015 and the Labor Market Reform in the fall of 2017 that work and industry regained their credibility after a two-decade eclipse. which has devastated the French economy and led to a growing external deficit since 2004.

The external debt of France - not to be confused with the public debt, which is internal - today exceeds 500 billion euros and the negative contribution of foreign trade to growth, totally linked to our industrial collapse, has cost us nearly half a point of growth per year for fifteen years. The weighted average weight of the manufacturing industry is 18.5% of GDP in Germany, the Netherlands and Austria (APA), while it is only 12.5% of GDP in France, Italy and Spain (FIE), this industrial proportion being by far the lowest in France among these six countries<sup>1</sup>. The industry exports about half of its production to all countries. The difference of 6 percentage points of manufacturing industry's GDP between the average of APA and that of FIE leads APA to have structurally 3 points of GDP of export earnings of more than FIE. For example, if the weight of the manufacturing industry was 16% of GDP instead of 10% in France, giving 3 points of GDP of exports of additional exports, the country would have an external surplus instead of a deficit current account balance of around 3% of GDP in 2017-2018. It would also have a million more industrial jobs and between one million and one and a half million more jobs-induced jobs - which would cause a significant increase in employment and the labor force. The unemployment rate would be less than 5% instead of stagnating at 9%! The growing heterogeneity of the euro area in terms of the weight of the

industry, financial strength and balance of public finances in each of the member countries does not augur well for the consequences of the next crises on the sustainability of the euro zone. Only determined action to create a powerful industrial and financial hard core in Europe can allow it to resist and impose itself in the current industrial revolution.

A necessary European strategic clarification

A double clarification is necessary if we want to progress in the reform of Europe. The Europe of the Treaty of Rome, notably modified by the treaties of the Single Act and Maastricht, favors a single market open to all winds to the detriment of any power politics and promotes competition in the markets for products and services but also by fiscal and social norms, which is totally contrary to the philosophical and political foundations of liberal democracy. Brussels Europe is a strategic underbelly that pretends to ignore all the differences of strategic and political choices of the member countries. A tight intergovernmental could create a hard core of countries sharing the same strategic goals in the service of a power politics protecting the peoples of Europe. It is thus necessary to distinguish the concepts of competition and power, which are not substitutable, as well as the political political means 1 / of a treaty of Rome federalised by the European Court of Justice on the whole of the European Union and 2 / an intergovernmental body bringing together a few specific countries within the Union.

## TWO INSTRUMENTS OF COLLECTIVE ACTION

The theory, like common sense, shows that two equally desirable and mutually contradictory objectives can not be achieved with a single institutional instrument. It is therefore necessary to specialize the European Union in the single market, modified to include rules of reciprocity with the rest of the world, by emptying it of all monetary, military and industrial policies. The European Union must focus on three dimensions of its action: 1 / build an integrated market with reciprocal openness with our trading partners, and therefore close if they close or are closed; 2 / to enforce the three rules of liberal democracy and to exclude countries that do not apply them (or at least to suspend their right to vote in European institutions); 3 / foster sustainable growth for shared prosperity in a protected environment. Incentives for the EU internal fiscal and social war must be replaced by the introduction of tax and social minima, for example a minimum rate of 20% for corporate tax and savings income. The fiscal deficits of EU Member States must be less than 1% of GDP as long as their growth exceeds 1% and must be zero when growth exceeds 1.5% (the 3% of GDP limit for public deficit is a time limit of crisis). A carbon tax must also be put in place quickly at borders and within the European Union to accelerate the transition to carbon-free energy and accelerate the reduction of energy consumption.

In this context, one could even imagine reducing the EU budget to 0.5% of the Union's GDP, a division by two. At the same time, it is necessary to create an instrument of industrial and military power that can only be a hard core of countries ready to lead together an ambitious policy of research and innovation, the development of advanced military technologies, the emergence of some twenty leading universities competing among the world's top 100 and building ultra-powerful physical and digital infrastructures. For this purpose, the Core Nucleus needs, in a framework of intergovernmental action, a specific budget of 2% to 3% of the GDP reserved solely for the construction of these power policies. It must be clear that this budget can in no way be used to repay the debts of the Member States, which must otherwise be subject to the strict rules of budgetary balance mentioned in the preceding paragraph. It is therefore not a budget to reduce the differences in performance between Member States of this hard core but only an investment budget in the technologies of the future. A budget for reducing differences would only be conceived in a federation, but the countries of the North do not want it. The fact that Emmanuel Macron fails to convince France's partners on the necessary reform of the euro zone is partly due to its ambiguity about the nature of the budget to be implemented in the euro zone. There will be no lasting resolution of latent conflicts in Europe without distinction between a European Union, refocused on the three objectives to develop the simplified and decarbonized single market promoting competition between goods and services but fighting against tax and social competition, and an Intergovernmental Hard Core leading at its expense a power politics. Naturally, this approach is seen as diabolical by the European bureaucracy, which would dissolve its secret dream of destroying the constituent nation-states of Europe.

The devil is elsewhere: if one does not distinguish a European Union built on the principle of competition from a hard core built on the principle of power, Europe will burst at short notice. According to the scenarios of chapter 6, it can explode before two years! The definition of the hard core must be opened on the basis of predefined and strictly implemented criteria: the candidate countries must effectively respect the rules of liberal democracy and belong to the euro zone, accept the strict budgetary rules mentioned above and the three conditions success of the euro (1 / a minibudget of the zone to allow Europe to return in the race of the economic revolution; 2 / an economic government able to optimize the monetary, budgetary and exchange rate policies to accelerate growth; 3 / the introduction of tax and social minima, ie, for example, a corporate tax rate and the taxation of savings income of at least 20%, in order to put an end to fiscal and social competition between European states). Decisions within the Core will be made by qualified majority. Remember that the euro area is open to all member countries of the European Union provided they

abide by the rules. In this scheme, no member country of the euro zone is excluded in advance from the hard core. All those who respect these conditions, including the minimum tax and social, can enter. Let us bet that the hard core would contain nine to twelve countries at the beginning, because the countries that would refuse to comply with these conditions would exclude themselves. If this hard core included at least nine countries, Germany, Austria, Benelux (three countries), France, Italy, Spain and Portugal, it would instantly be one of the three major global geostrategic players. Let's name them the nine countries of the "initial hard core". It is a question here of forming an alliance of voluntary countries to create a strategic pole in Europe and to avoid the immobilism of the European Union in the face of the weakening of the Atlantic Alliance between the United States and Europe and the attempts Chinese attempts to break up the European Union by leading an offensive strategic policy directly with the Central European countries members of the European Union in defiance of the common policy of this Union. It is essential to move forward with the countries of the euro area who want it and can. As long as France, in its attempt to revive the European construction, will not be clearer about the objectives pursued and the means to be implemented, while excluding the assumption of debts of the South by the North, it does not there will be no exit from the latent crisis of Europe. But if she clarifies her speech, then everything is possible. The need for clarity of France, the only country in a position to maneuver in Europe in 2018-2019 (with a sclerotic Germany, a fragmented Italy and a Spain in the process of explosion), is a question of political and moral survival for Europe. 'Europe. Emmanuel Macron has worked hard to revive the construction of Europe, but it is too often ambiguous from the German point of view. Too often, it gives the impression that the hard core budget could be used to finance the debts of the past of the Member States or to help the deficit states to return to equilibrium, which makes the Germans and the Dutch hysterical. It must therefore be clear with our partners, along the lines mentioned above and in particular on the fact that the budgets of the Member States must be balanced when growth is at its potential, that the hard core budget can only serve to finance the power policy of the said core. France must also be clear about the effectiveness of the intergovernmental. Faced with the impossibility of progressing to twenty-seven on the constitution of a credible European defense, nine countries launched the European Intervention Initiative (IEI) advocated by Paris to strengthen European defense. The modest objective is at this stage to create a more agile capacity for action and prevention by pooling military planning, support for operations, anticipation of situations and necessary capabilities, and intelligence. These nine countries are France and Germany, the Netherlands and Belgium, Spain and Portugal, the United Kingdom, Denmark and Estonia - do not confuse these nine countries with those in the core

initial hard term mentioned above. It must be stressed in this connection that the IEI is an intergovernmental construction. The intergovernmental who respects the nations and their identity, it works!

## THE FRANCO-GERMAN AGREEMENT OF JUNE 2018 AND ITS LIMITS

A Franco-German agreement on the future of the European Union and the euro zone was presented on June 19, 2018 after a working seminar between the two countries at the castle Meseberg Castle, next to Berlin . In addition to a draft agreement on European migration policy, a number of steps in the right direction have been presented. A budget specific to the euro area from 2021, strengthening the European Stability Mechanism (ESM), a common position on the draft directive to harmonize the corporate tax base (IS) at European level , which is being opposed by the small predatory states of Europe (Luxembourg, Cyprus, Malta, Ireland, the Netherlands, among others), and a tax on the digital giants were on the menu of this meeting. On the SI, the two countries want this common base to apply to all companies regardless of their size, and not only to those whose turnover is over 750 million euros. They also want to introduce a mechanism that limits the deduction of royalties and interest paid in low-tax countries in order to guarantee a minimum tax on these profits. Nevertheless, the "details" that remain to be negotiated with all 27 member countries of the Union are key: what are the objectives, the modes of financing, the size of the potential budget of the euro zone and its articulation? with the budget of the European Union? These questions are all the more essential as Germany and the northern states of Europe remain paralyzed at the idea of financing southern Europe, which Germany still thinks of "twenty-seven European Union". when France thinks "euro zone" and, above all, that nothing that is proposed is directly oriented towards the creation of a European strategic hard core. Following the conclusion of the Council of the European Union of 28-29 June 2018, it was decided to accelerate the extension of the role of the ESM by asking the Eurogroup to present specific proposals at the summit of the Eurozone. December 2018, but the creation of a euro area budget was postponed for lack of political agreement on this subject. With regard to the ESM, evolving towards a European Monetary Fund status without the name, it will benefit from strengthened supervisory powers in the design and monitoring of aid programs for European countries in difficulty. It will also act as the ultimate backstop safety net in the event of bank failure<sup>3</sup>. In order to endow the MES with these new powers, it will be necessary to revise the intergovernmental treaty that created it. That the reader retains this characteristic: we can create instruments of public action in Europe outside the Treaty of Rome and the perimeter

of the twenty-seven (or twenty-eight depending on the outcome of Brexit) Member States. There are several, including the MES and the IEI.

It is therefore legally possible to conduct a public action bringing together, for example, a dozen countries on a specific strategic objective. On the other hand, a colossal error has been made as France and Germany are considering the introduction of a euro area budget through amendments to the Treaty of Rome which could take at least two years and require agreement from all the other EU member states to twenty-seven, including those who are radically against these initiatives! In addition, the budget envisaged by these two countries must serve to promote the convergence and stabilization of the economies of the area in the event of a crisis - instead of focusing on the technological catch-up of Europe - which are radically opposed. the northern countries of the euro area. Note that if the German government took a small step towards a mini-budget, apparently in the range of 0.1 to 0.2% of GDP in the euro area - you read correctly, it is 0.1% or 0.2% and not 1% or 2% -, favoring the convergence and stabilization of the economies of the area in the event of a crisis, he fiercely rejects any sharing of the debt of the countries of the South. And even this small step is very controversial in Germany. While the Altmaier initiative, easily accepted by Germany and probably by other countries in northern Europe, could result in a large budget for the funding of artificial intelligence research (see below). The only way out of the political conflicts between the north and the south of the euro zone is to envisage a budget intended solely to enable Europe to catch up in the economic revolution. And, in view of the third acceleration underway of the economic transformation, it is necessary to work in an intergovernmental framework with the only countries decided to advance. Let us note that the negotiations leading to the European agreements, even reduced, of June 2018 took place in the context of the commercial war initiated by Trump in spring 2018. The aggressive tweets of the latter against Germany and Angela Merkel did more to make progressing the even minimal strengthening of Franco-German cooperation than all pro-European supplications. It would have been simply desirable for both countries to move towards an immediate intergovernmental union on a voluntary basis instead of wasting precious time. One can wonder about the semi-failure of the creation of a minibudget of the euro zone during the first semester of 2018. Emmanuel Macron, who carried this project supported by all the French presidents since more than ten years, has Germany, in the winter of 2017-2018 during the pre-negotiation phase, been quite clear about the need for an intergovernmental treaty to move quickly, bypassing blockages, or was it the Germans who insisted on the necessity of proceeding by a modification of the Treaty of Rome, because it was the way to block the process without having to say officially no? The result of this mess is

that the Europeans do not have in the autumn of 2018, one year after the speech of Emmanuel Macron at the Sorbonne, the means to lead a policy of power and impose in the New Industrial Revolution. The European nations were quite afraid of Trump in the spring of 2018 to consider small advances, presumably inoperative, of European construction. They are not yet afraid enough to create the necessary hard core of power. But the rise of international strategic violence is such that the hard core will be imposed soon. The model that will need to be implemented urgently is presented below.

A hard core of power

What exactly would the nine countries of the initial Core Node weigh?

#### A MAJOR PLAYER

The strategic inexistence of Europe could easily lead one to think that this set would represent only a small third of China's weight and a negligible fraction of America's weight. This perception is obviously radically wrong. The nine countries mentioned (Germany, Austria, Benelux, France, Italy, Spain and Portugal) would account for 14.5% of world GDP in 2018, more than 90% of China's GDP and nearly 60% of US GDP. While India, Brazil and Russia together account for only 7.7% of global GDP, barely more than half of Europe's hard core. For the hard core to be effective, it is obviously imperative that all common economic and military decisions, as well as social and fiscal decisions, be taken by qualified majority. The latter is acquired if 65% of the core member countries representing 65% of the core population are in favor. The Core has a fast-growing budget of 2-3% of the Core's GDP, with the sole purpose of funding common physical and digital infrastructure, including a comprehensive 5G network, world-class universities of excellence, research, innovation and incubators of start-up, research programs on robotics, artificial intelligence, biotech and cognitive technologies as well as advanced defense technologies. This budget also finances an ambitious space policy against the rise of the American SpaceX, false nose of the Pentagon, with the new version of its Falcon 9 potentially reusable 100 times! The only NASA, working with and for the Pentagon, has ordered SpaceX thirty-four Falcon 9 to service the International Space Station (ISS) until 2024, which allows it to break the prices in the commercial satellites! This is NASA's first order in 2008 that allowed SpaceX to really start. Space is a decisive component of the global digital war. In the United States, more than eighty venture capital companies dedicated to space have been launched for fifteen years. The Hard Core also needs the military satellites needed to resist Chinese, Russian and US space pressures (see Chapter 2). Without Gafamn and venture capitalists supported by a



huge public research budget, as in the United States, the European Union is sinking into relative helplessness. The current complexity of decision-making and competition between states is undermining the growth of the European space. While the United States has NASA as the main space operator, Europe has several bodies (European Commission, European Space Agency, national space agencies) with burst budgets and a bureaucratic decision-making system that is cumbersome and slow. There will be no European rebound in the Ariane 6 space without a massive bulk order that will succeed Ariane 5. Ariane 6 will be operational in 2020 without being reusable. We must accelerate the work on Prometheus, a reusable engine so that a first version of reusable Ariane is ready in 2025-2027. The European Core Node is to have a single space agency with resources comparable to those of the United States and China. There is no powerful space industry without determined public leadership. The global space industry market is expected to grow from \$ 350 billion in 2015 to \$ 1 trillion in 2040. On both the digital and the digital fronts, the European Union's naivety is about "absolute crassness". But let's dream of a Gaullian jolt! So the hard core of nine countries would be formed quickly. It can be assumed that if such a Kernel appeared on solid foundations, other euro-zone countries would join it. With Finland and the Baltic States (three countries), Slovakia and Slovenia, ie fifteen countries, the Hard Core would exceed 15% of global GDP (15.3%). And if this hard core, through France, were to forge a strong military alliance with the United Kingdom, the weight of the whole would reach 18.5% of world GDP in 2018! (Reminder: United States at 24.5% and China at 15.5% of global GDP). Let's name the Core at fifteen Core E15, and the Core in alliance with the United Kingdom (Britain) Core E15B. It should be noted that the United Kingdom's participation in the European Intervention Initiative (IEI), through an intergovernmental agreement linking nine European countries on 25 June 2018, gives flesh to Core E15B. The Strategic Core E15B would be the second power of the world !!! It would immediately favor the emergence of the euro as the billing currency of world trade and the currency of commodities trading. In case of US sanctions or from other countries, Core E15 would not be content with the 1996 European Communities Council Regulation - called Blocking Regulations - which prohibits any European natural or legal person from submitting to administrative acts, legislative or judicial decided by a foreign power. The E15 Core would threaten this foreign power with equivalent sanctions against its companies and it would be more than credible on this subject. All the geopolitics of the world would be transformed! The unstable Sino-American duopoly would become a stabilized triad. Indeed, the economic relations between the E15B Core and China, and even the whole of Asia, are as important as between the United States and these same blocks from the Pacific.

The E15B core would work with the United States, China and Russia to create a global Executive Board able to deal with economic, monetary, monetary, commercial and financial issues related to Japan, India and Brazil . This Management Board would ensure that trade imbalances would be mitigated by differentiated management of aggregate demand in each key country and that major currencies (euro, dollar, yuan and yen) would evolve according to target areas of exchange rate parities with unpublished exchange rate objectives, which take into account the economic fundamentals of the relationships between these blocks. It would also ensure that trade and direct investment from one block to another obey rules of strict reciprocity. Thus, non-military world conflicts would naturally be cleared within the Directory. It is also conceivable that Core E15B, in connection with the countries bordering the South China Sea, would take a strong action to ensure that the sea remains entirely in international waters, even if it assigns specific rights to China in the event of discovery of oil in these waters, in an equitable sharing of resources with other riparian countries. The European Union, today divided in its core and its strategic objectives, can not imagine being credible on these subjects. As for the Member States of the European Union, none are critical enough to play a significant role against the United States and China. The E15B Strategic Action Core is the angel of world peace and equity among nations to prevent predictable slippage between China and the United States. It is organized by an intergovernmental treaty creating a strategic actor deciding by a qualified majority of its members and working in a fiscal and social framework common to its members, as do the fifty American states. Large states promote competition through intelligence, effort or improvement of products and services, but they exclude internal fiscal and social predation, as well as healthy bodies regularly kill cancer cells. This intergovernmental treaty is signed by countries that are also members of the Union and simply let the latter live its a-strategic life denying power issues.

### THREE LEVELS OF GEOSTRATEGIC ACTION FOR THREE ACTORS ACTING TOGETHER

Imagine the strategic policies that could lead: 1 / a France whose economy would continue to recover, 2 / an Intergovernmental Core Nucleus leading an economic policy of power in the New Industrial Revolution and 3 / a European Union refocused on its essential missions. 1 / The French economy has partially recovered partially since 2016 thanks to the international economic recovery. The country's structural problems have not been solved (markedly weakening of its production apparatus, especially industrial production, the crushing weight of public expenditure and debt, etc.), but there has been an improvement in the situation of

enterprises and some progress in education and vocational training, the fluidity of the labor market and the decline in the taxation of capital. The growth of the economy, however, is expected to decrease from 2.2% in 2017 to 1.6% in 2018, except for the accentuation of the trade war initiated by Trump. Real structural reforms remain to be implemented (pension and welfare reforms, administrative simplifications and a steady decline in public spending). If the Brexit comes to an end (current terms of the Brexit: exit of the United Kingdom of the European decision-making processes in March 2019, this country continuing to contribute to the budget and to respect the common rules until 2020), France must start the negotiation of a Franco-British treaty aimed at coordinating the international action, both diplomatic and military, of the two countries. France and the United Kingdom have a combined GDP of 6.4% of world GDP and together hold 500 nuclear warheads. These two countries also have significant and experienced traditional military forces. It is therefore essential that they cooperate closely. The Lancaster House Treaty, signed in November 2010, allowed for joint work on missile development and simulation in the development of nuclear weapons. The two countries are developing combat drone projects together, even if the political impulse on the British side is far too weak, as Brexit does not fully explain this pusillanimity. France is committing itself to the modernization of its nuclear deterrence in the framework of the Military Planning Law (LPM) 2019-2025, adopted in 2018. The United Kingdom has also begun a reflection on the same subject.

The two countries are cooperating in the Sahel and fighting together against the Islamist threat. They must greatly increase their common intervention capabilities. It is therefore desirable that France proposes to the United Kingdom a significant strengthening of this partnership in terms of research and development on weapons of the future, doctrine of joint use of the forces, because the threats against one of the two countries both are aimed at, and interoperability of existing weapon systems. 2 / At a critical higher level, the E15B Strategic Core is able to contribute to the consolidation of the major economic and diplomatic balances on the planet in general, and in the Pacific and the South China Sea in particular. The power of the E15B kernel was clearly apparent in the previous section. The E15B Core is to have a powerful fleet of nuclear submarines and missile frigates around three or four nuclear aircraft carriers. You have to invest in the fighter of the future. Dassault Aviation and Airbus Defense & Space must propose an aircraft project to replace the Eurofighter and the Rafale by 2035-2040. France and Germany decided to move in this direction in June 2018, at the Meseberg summit. This is to develop the Future Air Combat System (SCAF) leading to a first demonstrator in 2025 for deployment in 2040! These objectives are insufficiently ambitious. The demonstrator should be ready by 2023 and deployment starting from 2030.

Italy and Spain must first be involved in the project and then the United Kingdom as soon as the project is technically stabilized. It was also decided at this summit to work on the future tank that would be deployed from 2035. The overall European defense effort must significantly increase. The combined military budget of the European Union is three times lower to defend its 512 million inhabitants than that of the United States to defend its 320 million inhabitants. The military investments of the countries of the Union are not coordinated, which results in a kaleidoscope of 180 weapon systems against thirty in the United States. In short, three times less budget for six times more diversity of weapon systems! The lack of co-ordination of defense policies in Europe is all the more worrying as the United States no longer guarantees European security only lip service. Europe can not agree to be a US digital colony while refraining from having a strong autonomous military capability. The European Union must in particular acquire the control capabilities of its 14,000 kilometers of external borders and the 50,000 to 70,000 radicalized Islamists present on its territory. All European countries must raise their defense effort to 2% of their GDP by 2025, when the United States, China and Russia are already well over 3 or 4% of GDP, depending on the country . 3 / Finally, the European Union must focus on its fundamental missions: to build an integrated market with reciprocal openness with its trading partners; to enforce the three rules of liberal democracy (the free election of parliaments, the separation of powers, and the fact that the law applies to both rulers and ruled) and exclude countries that do not apply them (or at least suspend their right to vote in European bodies); fostering sustainable growth for shared prosperity in a secure environment. The European Union must therefore become the vehicle for sustainable growth and an open economy, with strict reciprocity, in the Mediterranean world and the whole of Europe to the Urals, as well as in Africa. The refocused European Union can contribute to the creation of a Eurasian Union and a Eurafrican Union bringing together around 2 billion inhabitants. To give the Core E15 institutions long-term, in connection with the United Kingdom, I repeat below the proposals I made in my latest book, Dare Europe of Nations.

## THE INSTITUTIONS OF THE HARD CORE E15

The hard core E15 created by an intergovernmental treaty outside the Treaty of Rome, a qualitative leap that can only be envisaged on the basis of an initial platform developed by Germany, France and the Benelux, would be equipped with a "sovereign" economic decision by qualified majority while a golden rule of balance of the public accounts would force each State to rigorous management. The economic "sovereign" - which would take the

form of a Council of Ministers and a Minister of the Hard Core Economy - would closely monitor the evolution of the current account balance of each core country to ensure that there are no major imbalances appearing in the conduct of the internal demand of each country and the whole hard core. Given the current blockages of the European Union, resulting from the divergence of powerful non-reconcilable interests, it is decisive to understand that the founding legal jump of the Core must be intergovernmental and outside the Treaty of Rome. It is legally possible, politically necessary, strategically vital. The European Union has been built on a principle of competition since the Treaty of Rome in 1957. The hard core would be built on a principle of power. Intergovernmental coordination of the hard core would take place within a homogeneous group of countries with the same political values and interests and able to accept joint decision-making by qualified majority. These countries would agree on minimum tax and social rules and decide to put in place a federal budget that is urgently needed. If necessary, these countries would emerge together from the euro zone by creating a federal euro, especially if the current institutional system continues to block any development<sup>6</sup>. This Core nine<sup>7</sup> brings together 307 million and the Core E15 324 million of the 342 million inhabitants of the euro area in 2018. This hard core would respect the constituent nations and, for each, their history-individual legend and their own culture. It functions as a Cooperative of nations sharing elements of sovereignty in order to resist the American and Chinese giants, without renouncing their identity and their national novel. The hard core E15 would immediately be a global player, as the first commercial power and third economic and industrial power of the planet (with a power two and a half times stronger than that of the fourth, Japan). An ambitious program to build common physical and digital infrastructure, and investments in digital and military technologies, would enable Core E15 to establish itself in the entrepreneurial economy. These countries would escape the disastrous consequences of the Maastricht Treaty by breaking the primacy of tax and social competition within the hard core by setting up tax and social minima<sup>8</sup>. The hard core E15 would become a strategic global player able to stabilize the international geopolitical situation. It would transform the Sino-American duopoly, as evoked, into a global geostrategic triad. This solution is totally coherent on the economic, political and strategic aspects, the E15 core having the means of its ambition. If Core E15 allocated 2% of its GDP to military spending (two-thirds in each Member State and one-third in the intergovernmental level), its defense budget would be six times France's defense budget in 2017. The core E15 would quickly become the third largest military power in the world. The emergence of Core E15 would simplify the Lisbon Treaty by reducing the European Union's fields of action to the functioning of the single market and international

trade negotiations, based on values centered on the social market economy. and representative liberal democracy.

## EMERGENCE OF THE SOCIAL ECONOMY OF THE EUROPEAN MARKET

European economic and social organization is not to be confused with that of the United States or China. America is dominated by shareholder capitalism, which demands that corporate leaders act in the sole interest of shareholders while Chinese state capitalism serves the interests of a dictatorial regime that allows the enrichment of the inhabitants only if keep the monopoly of political power. The social market economy, a system of organization of economic and social organization providing for high income redistribution and high-level public education and health systems, except for those who opt for private services, as well as a significant share of employee share ownership and co-management with employee representatives is the dominant system in the main countries of the euro zone, particularly in France, Germany, Italy, Spain, the Netherlands and Belgium. Companies act primarily in the interest of shareholders but also in the interest of employees and subcontractors with public equity rules and legal and social protection that do not exist in China and the United States. Europeans find themselves in the contradiction of politically claiming this economic and social organization without economically supporting it through their private savings investments. While the eurozone has enormous external surpluses, there are massive purchases of European companies by American and Chinese capitalists. It is that Europeans are saving, directly or through institutional investors acting under the collectively stupid rules of Basel 3 and Solvency 2 - even if they appear individually justified to preserve banks and insurance companies - essentially in monetary assets and bonds and very little in equities. The ownership of European companies is increasingly American and Chinese, which destroys the root of the social model prevailing in the euro zone. There can be a sustainable social market economy in Europe only if the European Union revises its prudential regulations so that Europeans can become owners of their businesses again. Only the hard core E15 will have sufficient political and economic power for European solvency rules to once again favor individual and collective shareholding in the European Union. In particular, it is necessary to allow the creation of share pools between different insurance companies and provident institutions. For example, five institutions providing 20% of the capital of the pool would each have two directors in the Board of the pool with ten directors (the chairman having the casting vote). The pools could only invest in shares of E15 Core companies. The pools would invest 90% of the funds received and keep 10% in cash. Capital requirements for

funds invested in pools would be halved. 10% of the investments in shares would be in start-up capital and 20% in unicorns capital Core hard. The pools could be transnational within the Hard Core. We could require that they start with at least 10 billion euros of funds invested so that they are immediately significant financial forces. Above all, only the E15 Core, the bearer of the political and societal principles of the social market economy, will have the political and strategic weight to continue to lead the fight for the environment in order to reduce gas emissions, greenhouse effect and curb global warming. The E15 Core must also work for a regulated and responsible global finance to reduce the likelihood of new financial crises. Finally, the Core E15 must catch up in the revolution of the economy so that Europeans and all other countries have a democratic and regulated alternative to American and Chinese domination in data processing and artificial intelligence. The constitution of Core E15 is a political and strategic necessity, but also moral and democratic if we want to prevent all free nations from being crushed in the frontal shock that is preparing between China and the United States for the domination of world.

#### STRATEGIC RELATIONS BETWEEN RUSSIA AND THE CORE E15B

Russia, dangerous troublemaker, can it be controlled? Core E15, whose GDP would reach 15.3% of world GDP against 1.8% of world GDP for Russia in 2018, eight and a half times Russia's GDP, could open extremely frank strategic negotiations with Russia, the result of the development by the great Free Powers during the Salisbury bombing of a former Russian agent in March 2018, which resulted in massive expulsions of alleged Russian diplomats. It is therefore desirable to establish a direct balance of power between the E15 Core and Russia aimed at creating a 50-kilometer demilitarized zone on the European Union's current border with Russia, Belarus and Ukraine. on both sides, while establishing a clear framework for the conduct of commercial and financial relations between the European Union and Russia. An agreement must also be signed on the non-deployment of heavy weapons and missiles from NATO and Russia in an area of 250 kilometers on both sides of the same border. Once these prerequisites are in place, a comprehensive agreement on Ukraine recognizing Russian military sovereignty over the Crimea must be negotiated, but the latter must be able to trade freely with Ukraine. Russia would leave the Donbass and pledge to ensure the independence of Ukraine in conjunction with the E15 core. In this context, the Western embargo on Russia would be repealed. The restoration of normal economic and financial relations between the reformed European Union and Russia would open negotiations to create a free trade area including the European Union, the United Kingdom, Russia, Belarus and the United States. Ukraine. Core E15B could then conduct negotiations with Japan and Korea to strengthen economic and technological relations between these countries. It involves investing in

artificial intelligence and robotics, two areas in which Japan and Korea are ahead of the game without having a strong enough economic and strategic base to win against China and the United States. Europe can only weaken the Sino-American duopoly and control Russia if it constitutes within it a strategic core E15B, made up of the E15 Core and the United Kingdom, able to conduct proactive policies and to establish itself on the global strategic chessboard.

## THIRD PART

### IS THE CONFLICT BETWEEN CHINA AND THE UNITED STATES INEVITABLE?

Trump is undoing all the alliances he will need if the conflict with China escalates as Xi crushes everything in his way (internal political clans, oppositions to Tibet and Xinjiang, the South China Sea and Taiwan, etc. ). Until when ? It is fascinating to observe that the conflict between China and the United States becomes inevitable because of the policies of their respective leaders even though it is neither necessary nor inevitable in the absolute. But Trump breaks the tools that would allow the United States to triumph through their alliances while Xi is caught in an irrepressible leap forward. The Sino-American duopoly is unstable while power relations are imposed with the force of evidence (chapter 5). An enlightened American president, like those who ruled the United States during and after the Second World War, would have built an alliance of free nations that would have avoided a conflict whose violence would be overwhelming (Chapter 6). But Trump does not have the vision of power struggles in the future that would lead him to build a global strategic alliance to preserve the peace of the world against an increasingly imperialist China.

#### CHAPTER 5

Can a new world conflict break out by 2025?

The Sino-American duopoly has taken control of the entrepreneurial economy. Both powers arm themselves quickly. Their leaders have the madness of grandeur. Both countries are on trajectories that lead to a collision.

The instability of the Sino-American duopoly

Unlike the Soviet-American stabilized duopoly in the 1970s and 1980s, with the sharing of the world largely mutually accepted even though the two powers were measured indirectly on the margins, the Sino-US duopoly is not based on a division of the world, accepted by both players. On the contrary, the challenge of the strategic territory of the other player is very strong, as in the South China Sea or Latin America. The Sino-American duopoly, which



already dominates the world of the economy, can prove to be all the more dangerous since it is unstable and the behavior of Trump and Xi are destabilizing, not only from the point of view of their respective countries. but also that of the security of the planet. 1 / It is economically unstable, because the bilateral trade deficit between these two countries reaches a level all the more unbearable for the Americans that the competitive capacity of the Chinese industry asserts itself in the economy. The Sino-US trade conflict is only one element of the global conflict between these two countries. This conflict will be all the more violent as China is already a giant. It produces approximately 45% of global cement and steel annually, 40% of chemical products and assembles 22% of the manufactured products of the planet! China installs half of the world's wind turbines annually and accounts for one-third of the global luxury market and more than half of the global electric car market<sup>1</sup>. China is therefore an economic and technological giant, with its large economic groups, perfectly able to snatch world leadership in the United States by 2025. China is not an idyllic country and the Chinese reality is contrasted. If China is a great economic, scientific and financial power, it is a political dictatorship<sup>2</sup> and a commanding state that finances at a loss all the technological developments it needs to compete with the United States, which partly explains the speed of its technological transformation. It is certainly not a liberal democracy or a market economy. It is a giant predator who will write the history of the world with or against the United States. In the publication of his speeches in *The Governance of China II* (2018), Xi Jinping continually attacks the democratic political system by noting, for example: "Copying the political system of other countries could break the independent destiny of our country. He reaffirms the central role of the Communist Party in the conduct of Chinese politics. The Chinese CP is built against the West, its values, interests and ideals<sup>3</sup>. Inequalities between social classes are two and a half times higher in China than in France. But while there is only one France, which makes the inequalities more sensitive, there are two China: one poor and shelved, 400 million inhabitants, and the another, rich in 980 million people - we can call it China 980 - which will be totally digitized by the end of 2018, for better or for worse, as mentioned above. China 980 produces 90% of China's GDP. Rich China will be the leading economic and technological power of the world of entrepreneurial economics in 2025. Americans know it. Only Europeans do not know it! Europeans who continue to compete with each other, that is to say, between dwarves, applying a doctrine of competition written for the most part in 1957, more than sixty years ago. 2025 is close and the idea that China catches up with the United States by then can surprise. Let's just take Smartphones, which are at the heart of the third acceleration of the economic revolution. Among the top five global smartphone producers, there are already three Chinese and the

leader is South Korea. Samsung is half larger than Apple, in number of devices sold in the first half of 2018, while the three Chinese (Huawei, Xiaomi and Oppo) sell almost three times more smartphones than Apple. The Chinese market accounts for one-third of global sales, but China's three smartphone manufacturers are growing at a brisk pace in Europe, Africa and the rest of Asia. In this regard, the President of the United States should not push South Korea into the arms of China to please North Korea, because these two countries together control all the technologies of the economic revolution ... Trump has canceled the June 12, 2018 Joint military exercises between South Korea and the United States using the terms that China and North Korea have used so far to describe them: "Provocative War Games". Beijing and Pyongyang have experienced this cancellation as a big victory, while Seoul has taken it as a slap. But Trump was happy ... Then, the negotiations going badly between the United States and North Korea, as was predictable, the Pentagon raised in August 2018 the principle of new exercises while South Korea leads an action diplomatic approach to the North on the basis of previous US rulings. It's hard to be an ally of Trump! As summarized by a researcher<sup>4</sup> at Japan Institute of International Affairs in Tokyo: "China is like the cinema [faced with the multiplication of Trump's mistakes]. She follows all of this from afar in her chair eating popcorn and sees the slow disintegration of American alliances in the [Asian] region. "

AMERICA FIRST, IN THE MIDWEST, WEAKENING EVERYWHERE ELSE!

2 / It is unstable strategically, because the United States and China each want world leadership, keep it for the United States and conquer it for the Chinese. China's technological breakthroughs, China's strategic initiatives such as the new Silk Road (BIS), or the Chinese Navy's rise in capability with the development of anti-aircraft missiles that are aiming for US supremacy in this area. field, everything shows that the Chinese ambition has no limits. China's military budget has increased by more than 10% a year for more than fifteen years! His naval forces are growing stronger and more sophisticated. In August 2018 she launched her second aircraft carrier, derived from the Russian Kuznetsov class, and the first destroyer of the new class 055. China prepares a third nuclear-powered aircraft carrier with a system catapult and plans to build five aircraft carriers to establish its dominance in the Asian parts of the Pacific and Indian Oceans. China has put to sea about 150 ships and submarines in ten years! The 2020s will be hot in the fight between the United States and China to dominate Asia! The Americans, meanwhile, have just relaunched their defense effort and announced the launch of new aircraft carriers to keep the first military navy in the world in terms of power, knowing that the Chinese already exceed them in number. The military budget for 2018 has been increased by \$ 100 billion from 2017 to \$ 692 billion. The 2019 budget is set at

\$ 720 billion. Trump wants to increase the number of US Navy warships by seventy-eight units to 350 ships by the end of his term. Twelve attack submarines must be ordered before 2023 while three aircraft carriers are ordered. Trump announced in June 2018 that he wanted to create an "armed force of space" that would become the sixth branch of the US armed forces, with the army, air force, navy, corps marines and coastguards. He also wants NASA to establish a station on the moon, a project shared by the Chinese, to prepare missions to Mars. To do this, NASA wants to build the most powerful rocket in its history to be able to deploy increased resources in space. Trump's goal is explicit: "We must dominate space. America will always be the first in space. We do not want China, Russia and other countries to dominate us, we have always dominated." Mike Pence, Vice President of the United States, clarified the demands of the US Administration on August 9, 2018 in a speech at the Pentagon. It would be a question of doubling the budget for space defense, from 8 to 16 billion dollars, which supposes to have the agreement of the Congress in 2019. The stake is considerable, because the modern armies would be blind and dumb without military telecommunications and observation satellites and guided weapons would no longer be effective. Chinese and Russian spy satellites are already positioned near satellites of NATO countries to listen to them and presumably destroy them in case of conflict (the Americans do the same). It's funny to point out that Xi has the same goals as Trump for China's space policy. It is hilarious to note that they will not be embarrassed by Europe, which is abandoning an ambitious policy in space and even let Ariane die ... Ariane gave Theseus the thread that allowed him to escape of the Labyrinth after fighting the Minotaur. He took it off and left it on the island of Naxos. Ariane was a prescient name for a European strategic project that was allowed to die. It is all strategic Europe that is stagnating today in Naxos. Chinese and American naval vessels regularly graze in the South China Sea or off Japan. The United States is continually strengthening Taiwan's military capabilities, which China's official goal is to reclaim. This strengthening of US military capabilities is counterbalanced by the weakening of their alliances. The great asset of the United States to China, namely its role as creator and guardian of an open international economic, political and strategic order, being squandered by Trump, one can expect all the reversals of alliances then that the power of China is affirmed. Notably if Trump implements its intention to withdraw its troops from South Korea, or even Japan. Assuming the Pentagon lets it. The United States appeared as the "shepherd" of free nations before Trump and is now their main threat in the short term. Yet the United States potentially had all the cards to create circles of powerful allies: the six other G7 countries in the economic field, Asian countries opposed to the Chinese expansion in the immediate strategic environment of China - especially Japan, India and Vietnam - or

Russia and other Central Asian countries worried about the assertion of Chinese power at their borders. But Trump prefers confrontation to the creation of long-term strategic alliances. It is true that the brutal confrontation of US allies<sup>5</sup> by Trump is immediately perceptible in the short term by American voters, while understanding the value of building long-term alliances requires subtlety and patience. A Trump who went to the charade of his meeting with Kim Jong-un in Singapore on June 12, 2018, at which Kim did not commit to anything new<sup>6</sup>. While the July 2015 Iran nuclear deal, which Trump withdrew from the United States, was a real binding agreement effectively blocking the Iranian nuclear program, the so-called North Korea-US agreement. United of June 2018 is a diplomatic joke. Trump tore up a real binding deal on Iran and extolled a fake North Korea deal with a bloody dictator. It is a total fiasco of foreign policy and a blow to the credibility of the United States. The normative and prophetic dimension of the United States is totally foreign to Trump. The United States is a powerful elephant accidentally led by a clumsy and unethical mahout who takes the marks of deference granted to the elephant for a tribute to his person. 3 / It is legally unstable because the two giants, since the accession to power of Xi and Trump, do not respect international standards or their commitments. China is questioning the rule of law by wishing to appropriate the South China Sea in defiance of the interests of local residents and with the will to control the oil resources of its funds and the sea lanes of world trade that cross it.

The International Court in The Hague rejected the Chinese claim on the South China Sea in its decision of 12 July 2016 stating that China "has no legal basis" to claim so-called historical rights to this sea or to the Spratley Islands. What's more, these islands do not generate an exclusive economic zone within 200 miles around these atolls. China rejected this international judgment and militarized these atolls to continue to claim them. China, which does not respect international law, does not legally protect the personal data of Chinese citizens in the development of artificial intelligence. These protections are also reduced in the United States, even if they exist legally, as was shown by the scandal in the use of Facebook data by third parties during the 2016 US presidential campaign - Facebook admitted in March 2018 that Cambridge Analytica had illegally obtained the personal data of 87 million Facebook users to try to guide their vote. Initiatives to improve the regulation of data use are only partial and weak in the United States under the Trump Administration despite attempts by knowledgeable members of Congress. In tearing apart Iran's nuclear deal, Trump questioned the word and credibility of the normative power that founded the modern international order. Trump is doing everything to break the WTO's Dispute Settlement Body (DSB) and its appeal system that settles disputes between states. Certainly the WTO must be

reformed. For example, in a dispute, the DSB prepares a report of recommendations to resolve it. A report that can only be rejected unanimously by the members of the WTO when a qualified majority decision-making system should be adopted. The latter would be deemed to be acquired when 70% or 80% of the WTO Member States adopt it, with each State having a weight defined as the average of its weight in world nominal GDP and its weight in world trade in value terms. . It is also necessary to oblige all states to declare all the subsidies they pay to their companies and all the loans not reimbursed by the companies with the possibility of contestation beyond standard conditions to be defined. The WTO can therefore be reformed, but breaking it would risk the risk of an unprecedented trade war. While the normative and legal stability of the United States was a colossal strategic asset for the country in the face of a Chinese communist regime that seized Tibet as soon as it came to power and is preparing to make new conquests in the China Sea South, in Taiwan and perhaps tomorrow in Siberia, Trump breaks all the elements of the international order created by the United States, tears apart the international agreements signed by his country and ridicules himself by being treacherous with the historical allies of the United States. America and unctuous with bloodthirsty sub-dictators. Can a new world conflict break out by 2025, especially between China and the United States? To answer this question, it is important to measure the relative weight of countries in terms of population and economic and military power.

#### Balance of power

The balance of power between the major powers in terms of population and GDP is predictable.

#### EVOLUTION OF THE WORLD POPULATION BY 2030

According to projections by the United Nations Population Division, the world's population is projected to grow from 7.55 billion in 2017 to 8.55 billion in 2030, a gain of 1 billion people. inhabitants. Table 1 of Annex 2 shows that the population of Africa is expected to increase by more than seven between 1950 and 2030, compared to more than three times more for the world and Asia. In particular, it appears that the expected growth of the African population represents 45% of the increase in the world population from 2017 to 2030. On the other hand, the population of Europe, which had increased by one third from 1950 to 2017, will decrease from 2017 to 2030. China's population was 4.35 times that of the United States and 5% more than the Indian population in 2017. It will be more than 4 times that of the United States in

2030, but it will then be lower than that of India. The hard core E15 population was comparable to that of the United States in 2017 but will fall to 9% less than the US population in 2030. China is expected to reach US value GDP around 2030 and its military spending will be also equivalent in value at that time. Knowing that both countries want to remain or become the world's leading economic and military power, and that China's willingness to take over Taiwan and the South China Sea will intensify in the years 2020-2025, can we imagine a direct conflict between these two countries before 2030, or even before 2025 in case of bad decision by one or the other of the two great powers?

## EVOLUTION OF RELATIVE ECONOMIC POWERS

The relative weights of major country groups are changing rapidly. The United States and China will together account for 40.5% of global GDP at market value in 2020 (see Table 2 in Annex 2), but China's relative weight will rise from 63.3% of GDP United States in 2018 to 67.4% of US GDP in 2020. Despite its demographic growth, India will not box in the same category as China for a long time in terms of economic and military power. The relative weight in core GDP of Core E15 is holding steady from 2018 to 2020 in relation to the United States, as the euro is expected to appreciate slightly against the dollar, despite lower volume growth. On the other hand, the benefits of creating the E15 Core in terms of innovation and investment lead to a small increase in the weight of Core E15 compared to the United States in 2025 compared to 2020. On the military side, the United States should remain the world's leading power until 2025-2028, China filling most of the gap by then except for the number of aircraft carriers of all kinds (equipped with catapults, a springboard or allowing only vertical take-offs and landings), with the United States holding twenty or five to six for China at that time. France, the United Kingdom and Italy should together have seven, if these countries could work in good intelligence with the United States, and Russia two. If E15B had a common military strategy, its military and naval forces would be very significant from 2025. For catapult aircraft carriers, only the United States and France are endowed in the world in 2018 (ten to the first and one for the second).

## US POTENTIAL ALLIES FACING CHINESE HEGEMONIC ATTEMPT

Progressing very rapidly in the economy, thanks to BATHXD and its excellence in artificial intelligence, China is the only other economic power, political and military in the world, compared to the United States. Russia is a dwarf apart from its oil, which is holding its head

out of the water economically, and its atomic bombs, which cover his small strategic hands of steel gloves (see the demographic and economic weight declining Russia in Tables 1 and 2 of Annex 2). India is a demographic giant with economic feet of clay. On the other hand, it appears (see Tables 1 and 2 in Annex 2) that if E15B were to be closer to Russia, Japan and India, their combined economic and military weight would make them essential in the conduct of world affairs in the face of ambitions of China and the United States. This combined weight would rise from 29.7% of the world's GDP in 2018 to 28.5% of global GDP in 2025, significantly higher than that of the United States and much higher than that of China in 2025.

That is why the constitution of a hard core of the fifteen countries of the euro area mentioned above, in an intergovernmental framework with decisions taken by qualified majority in the common areas of action fixed by the treaty linking them to each other, is the only way to avoid a global strategic drama if the confrontation between China and the United States can not be eased. The table of potential strategic alliances of the United States in 2019 is crystal clear. The rise of Chinese power terrifies, in Asia, the following countries: Taiwan, which is the target of the unifying anger of Beijing; Japan, which, as an Asian giant of the 1990s, will only weigh one-third of the Chinese economy by 2020 (see Table 2); Vietnam, which is paralyzed by the takeover of the South China Sea by China, and, last but not least, India, which feels attacked on all fronts - by Pakistan nucleated by China, by China in Tibet and Nepal and the Chinese navy, which is multiplying incursions into the Indian Ocean. Although Putin's Russia has moved closer to China after the Western sanctions that followed its intervention in Crimea, it remains worried about the disproportionate power with China. For now, the Russian nuclear power allows it to gain a few years of tranquility, but, beyond, Russia knows that the Chinese historical project is to appropriate the raw materials of Siberia. An America that would have remained a normative and transparent power capable of exercising cooperative leadership with its allies, as it was globally, from its entry into the war against Germany, in 1917, then against Japan, in December 1941, until 'The election of Donald Trump in November 2016 could have created an alliance of free nations against hegemonic Chinese attempts in Asia and the world. A contact group between the major democracies, the D107, is already trying to bridge the gap between the major liberal democracies in order to maintain a global order that is regulated and transparent against external threats to this order. If only the main threat to this order now comes from within and from the heart of the system: the United States. Other initiatives, such as Anders Fogh Rasmussen, who created an Alliance of Democracies Foundation in 2017, are trying to get around this weakening of the system's core by making countries that "think the same"

work together. international issues - like-minded countries. A Paris Peace Forum was organized by France in November 2018 to bring together, on the model of COP21, governments and members of civil society to discuss global strategic issues. For now, no country has followed the United States in their withdrawal from the Paris agreement and all these organizations have contributed to this wisdom of governments trying to maintain some order in the porcelain shop despite the presence of the baby elephant Trump. But Trump's successive decisions on the trade war, the release of the Paris climate deal and the coup against the Iranian nuclear deal JCPOA in 2017-2018 have fractured a potential anti-Chinese front at the moment. where the United States would need it most.

#### THE DREAM OF AMERICA "INDISPENSABLE NATION"

The United States was from 1917 - intervention in the First World War - at the end of 2016, with the election of Trump, the "indispensable nation" because America symbolized democracy and freedom, stability and respect for the word given. From 1944, they worked in the service of open multilateralism. The United States bitterly defended their interests, but they did not subject the vanquished nations to their yoke. They were not perfect and did not hesitate to temporarily support odious regimes, but they were still infinitely better than their opponents. The United States is still the world's leading power, and its politico-strategic elites, outside the Trump Administration, continually analyze the global strategic situation<sup>8</sup>. To continue to exert global leadership, America needs to assess the challenges and threats that can challenge it. First, the usual threats for a generation, such as Russia's interventionism or the accelerated rise of China in the context of a potential proliferation of nuclear weapons, can be addressed by a strategic policy using the usual tools great powers: from defense and diplomacy to the construction of powerful alliances, through economic pressures or secret interventions.

Then, hybrid threats, made up of usual elements and innovations, are more disturbing. How to treat the manipulation of viruses or poisons such as the poisoning of people practiced by Russia or the external interventions of the same country using men not wearing the Russian military insignia as in Ukraine? Can the social credit system in China be a threat to the United States and its allies by distorting the behavior of 1.4 billion Chinese and Chinese communities around the world? Finally, misidentified threats, such as international terrorism with massive support from some states or the acceleration of climate change, are more difficult to assess. In the face of hybrid or misidentified threats, having powerful allies around the world can be a decisive asset in preparing for a forthcoming direct confrontation



with China in its quest for world leadership. This is all the more crucial as the internal divisions in the United States, between the rich and the poor - more than 30% of Americans struggle to make ends meet to continue leading a dignified life - and between Republicans and the Democrats, weaken the American capacity for world leadership. If America wants to continue to appear as an open and generous nation, it can not succeed alone as the Chinese and Russian regimes harden and Europe slips into division and helplessness. In this delicate context, it is difficult for America to cope with the multiplication of "fait accompli" such as Russian intervention in Crimea or Donbass. Tomorrow, what American reaction to see if China seizes Taiwan or increases its military pressure on India, if Russia enters a Baltic country or widens its sphere of influence in Ukraine, or if China again opposes freedom of movement in the South China Sea? The United States can not be content with developing nuclear responses but must develop alliances capable of intervening powerfully with state-of-the-art conventional weapons or tactical nuclear weapons that respond to the same weapons developed by the Russians. Without strengthening its alliances, America will quickly be overwhelmed by the rise of authoritarian regimes over-armed. At bottom, America has the choice between, on the one hand, the fearful return to its borders, which will not ensure its security if China submits Taiwan, then Japan and India under the effect of a technologically aggressive finlandization, and, on the other, the affirmation of its role as a "indispensable nation" for the world order it has been providing since 1917. Contrary to what Trump thinks and says, the role of the United States is not limited to its trade balance, which does not reflect the real economic power of the United States in the context of the complexification of value chains: when the United States imports tens of billions of dollars of products they have assembled in China from components manufactured in the United States, Japan, France or Germany, the apparent US-Sino account deficit reflects poorly the real American supremacy in the design of these products. Locked in a vision of the world that feeds on the images of America's epinal power of steel, coal, and automobile, Trump does not understand the new world of entrepreneurial iconomy in networks and alliances allowing to control the aggressive powers. To be itself in its role as an "indispensable nation" defending the global values of freedom and dignity, America can not succeed without the constitution of powerful alliances with a European hard core which it should promote the birth, an India revived, a reassured Japan, a Canada and a Mexico with whom it would consolidate a total strategic alliance. It is, point by point, the opposite that Trump implements in its policy of systemic demolition of the bases of the American strategic power! It is to believe that he is paid by Russia or China to pretend to oppose them while facilitating facilitating the affirmation of the power of these two countries.

## CHAPTER 6

### The Alliance of Free Nations or Death

The United States must forge powerful alliances. Otherwise they take the risk of a conflict that could cost them tens of millions of deaths. The risks taken by China by its refusal to cooperate in creating a stable and transparent world order are even greater.

The multiplication of points of contact between the two giants and the creation of a pacified world order

In the context of the Sino-American conflict duopoly, all other conflicts on the planet planet are instrumentalised to advance the interests of one or other of the two giants.

### SINO-AMERICAN RIVALITY IN KOREA AND THE PERSIAN GULF

China is both the protector of the North Korean regime, because it does not want a reunited Korea under American control, and the guardian of the regime face its own excesses, because China does not want Kim Jong-un could hinder the Chinese boom by leading it into uncontrolled conflict with the United States. The meeting between Donald Trump and Kim Jong-un in Singapore on June 12, 2018, previously mentioned, was prepared by two meetings between Xi Jinping and Kim, on the one hand, and by that between Kim and Mike Pompeo, the head of the US diplomacy in Pyongyang on May 9, 2018. Even if the Pyongyang regime had no reason to abandon the essential elements of its nuclear arsenal, especially after the cancellation of the US participation in the framework agreement on the Iranian nuclear issue on May 8, 2018, which led to doubting the long-term word of the United States, he could access minor concessions. But there were no concessions, major or minor, from North Korea to Singapore, especially since Kim had the support of Xi to resist Trump. So, of course, some still refer to the judgment of Henry Kissinger, who met with Trump several times before the start and at the beginning of his term. Kissinger said he had to get away from Trump's arrogance and vulgarity and that his "extraordinary personality" could open up "windows of strategic opportunity." In truth, Trump opens windows, but we do not want to breathe the air that enters the room with the abandonment of the Treaty of Paris on climate and we dread to hear the cries of persecuted camps from Kim. Certainly, Trump is a supposed specialist in psychological warfare and he is credible in applying the theory of the "crazy

man" that scares his opponents enough to get off the beaten track. But for what gains? Has the loss of credibility of the normative power since 1945, which has been leading the liberty camp since 1917, and the weakening of the vital alliances of the United States to maintain its leadership in the twenty-first century part of it? Are aggression against US secular allies and demonstrations of respect for abject dictators the mark? Are the risks of a global explosion resulting from a loss of control over the trade war the prerogatives? And do not the windows of opportunity open up for the benefit of China, which suddenly appears more stable just because it brings together a growing number of countries in the BIS? It is all the more amazing to make Xi appear more reliable than America that the Chinese leader is setting up an internal political regime of iron and an adventurous policy outside, as part of a personal regime. that Deng Xiaoping would not have tolerated! The debate on Trump should not be reduced to the merits of a policy that combines threats and unpredictability to cause a possible and temporary decline of the opponent, facing a rational long-term policy. The heart of the subject is elsewhere. Either we think that the story is contingent and that Napoleon's upset stomach eventually lost him, or we think that there is a sense of history dictated largely by the balance of power and Napoleon's collapsed because he had made strategic mistakes by intervening in Spain (1808-1813) and especially in Russia (1812), outside his natural range of action and provoking a coalition of his enemies by his arrogance and his bulimia. And if one wants to be Hegelian and bet on the meaning of history, he is not in favor of United States cut off from their allies and whose President and his collaborators are struggling to break the aura of the "Indispensable nation". But it is in the Persian Gulf that the Chinese game is all the more subtle as Trump rolls out the red carpet. China is a big importer of Iranian oil and Iran is a big export market for China. Iran has participated as an observer since 2005 in the Shanghai Cooperation Organization (SCO), established in 2001, which initially included China and Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. India and Pakistan joined the SCO in 2017, bringing to eight the number of Member States. The official objective of the SCO is to work for the creation of a new international political and economic order, more just and democratic - to understand: to defeat the American order ... If the SCO secretariat is located in Beijing, the other permanent structure, the Regional Anti-Terrorist Structure, is located in Tashkent. Iran is only 700 miles from China's western border and relations between the two countries are old. Xi Jinping and Hassan Rohani met during Xi's official trip to Tehran on January 23, 2016. Already, more than a third of Iran's foreign trade is with China. China strongly supported the Iranian regime when US sanctions applied to it before the Iran nuclear deal on July 14, 2015. The same has happened since the denunciation of this framework agreement by the United States.

United May 8, 2018. The goal is to increase Sino-Iranian economic exchanges to more than \$ 600 billion by 2025. Ali Khamenei recalled that Iran will never forget China's support before 2015 and relations, post-exit of the framework agreement by the Americans, between China and Iran will be even closer than before July 2015. During his tour in the Middle East of January 2016, Xi announced a \$ 55 billion in loans and investments for the entire region. Already dominant in Africa, China is strengthening in the Middle East during the temporary isolation of Iran against US sanctions. Along with strengthening relations with China, Iran is getting closer to Turkey and Russia. As US sanctions force European companies to withdraw from Iran, Chinese, Turkish and Russian companies will take their place. In 2017, Total signed an important agreement with the Iranian oil company Nioc to operate the giant gas field of South Pars. Total held 50.1% of the project with the Chinese oil company CNPC (30%) and Nioc (19.9%). If Total leaves Iran as a result of US sanctions, the contract provides for CNPC to take over Total's share. The main effect of US policy in Iran is to strengthen Chinese interests in this country! The Standing Committee of the Chinese Politburo has seven members. We may learn one day that Donald Trump is the eighth unconscious member as he unintentionally advances the strategic interests of China in the world! Since the appointment of John Bolton as Trump Administration National Security Advisor, US interventionism has returned to the Middle East as part of a strengthening of the strategic alliance between the United States and the United States. United and Israel, with the support of Saudi Arabia, which has moved closer to Israel against Iran. Trump wants to separate Russia from Iran, to weaken the latter, without seeing the shadow of the Chinese dragon on the Persian Gulf. With Bolton and Pompeo at Foreign Affairs around Trump has built up an aggressive trio on the global strategic scene that crushes his allies more than he actually threatens his opponents. And this trio, when it weakens Russia, massively strengthens the power of China! Trump, Pompeo and Bolton are not saints George slaying the dragon but manicures that heal the dragon's claws to make them harder and longer. And the dragon claw in the South China Sea, in Iran, in Tibet, and in front of Taiwan, in India, in Japan or against the European Union when it tries to break it by organizing summits with only Central Europe against the 'Western Europe.

The dragon bites when he systematically loot the manufacturing secrets and military secrets of the West as well as the raw materials of Africa. The dragon burns to become the first power of the world and Trump rolls him the red carpet, by the multiplication of decisions which lower America, indicating to him the royal way to reach the supremacy world! Before imagining the most likely scenario of triggering an armed conflict between China and the United States, propose a desirable vision of a world in which a US co-operative president is

elected in November 2020, while the hard core E15 is created in the fall of 2019. The Core E15, having for heart the old empire of Charlemagne, can be named "Core Carolien".

#### SCENARIO OF COOPERATION BETWEEN FREE NATIONS

What should a rational US leader do in the face of China's hegemonic attempts in Asia and Africa and its progress in Europe? China's natural way of containment is through the formation of a structured and powerful alliance of all those who are concerned about Xi's worldview. An alliance similar to that of the Greek cities against conquering Persia during the Median Wars (490-479 BC). Including the campaign of 492 BC BC, the Persian moment of attempt to dominate the Hellenic world lasted thirteen years. From his appointment as Secretary General and Chairman of the Central Military Commission of the Chinese Communist Party, on November 15, 2012, before his election as President in March 2013, until the probable balance sheet of his action in the autumn of 2025, in the middle of the half-century that will see China become the first power of the world according to the official wish of Xi, it will also have passed thirteen years. We are in a Chinese moment of trying to take control of power on the planet by Xi. To the extent that this hegemonic temptation is not necessarily that of the Chinese people, it is more accurate to mention a moment Xi. Are Americans able to build an alliance of free nations in the 21st century so that the moment Xi does not end with a catastrophe in Asia and the world? Can we go together towards a new global geostrategic order? The United States must first stop threatening its allies with a permanent trade war, after the imposition of tariffs on steel and aluminum on June 1, 2018 on the European Union, Canada, Mexico and India, that is, all the countries that the United States will need in the event of a conflict with China! A swift and balanced trade agreement must be concluded between the European Union and a renewed Alena in the respect of the interests of all member countries. But the Aeumc - a new version of the Alena resulting from the September 30, 2018 trade agreement between the United States, Mexico and Canada - maintained tariffs on steel and aluminum, which confirms Trump's contempt for this country. The American practice of extraterritoriality of its laws must cease to apply to its allies, for who would fight alongside a country that punishes its own friends at its whim? Americans can not blame China for not wanting to join the American order when they not only do not respect it themselves but use it to punish their own friends. We must also find a solution to the conflict in Ukraine. The creation of the Core E15 hard would advance quickly on this issue, as discussed in the previous chapter. If these steps are achieved in 2019-2020 - Alena renewed in mutual respect, beyond the Aeumc, Euro-American trade agreement, settlement of the Ukrainian file and end of the sanctions affecting Russia - then the United States could organize, during the summer of 2020 if Trump can design it or more likely in

February 2021 with a new occupant of the White House, a new partnership between themselves, the Core E15, the United Kingdom, Australia, New Zealand, Japan, South Korea and India, to which Russia may or may not be associated according to her behavior. Initially proposed by France, the Alliance of Free Nations (ANL) would be created by the Treaty of Paris of February 2021.

## THE TRAP OF THUCYDIDE

In a book that analyzes the risk of war between China and the United States<sup>2</sup>, Graham Allison first reports on the sixteen occurrences in which, since the fifteenth century, a dominant power on the planet has had to face a powerful rising that threatened its domination, on the model of the clash between Athens and Sparta in the fifth century before our era which Thucydides reported in the history of the Peloponnesian War. Of these sixteen occurrences, only four made it possible to reach an agreement between the two powers, avoiding a direct war, the other twelve leading to a frontal collision. In this book fascinating for its historical analysis but which could have been written ten or fifteen years ago without any major change, Allison deals with the potential Sino-American conflict by achieving the tour de force of speaking only at the margin of the Third Industrial revolution, which is at the heart of the conflict of domination between China and the United States, to evoke Europe as a declining continent, what it is, but without understanding the causes or imagine that the United States could facilitate the emergence, from the ashes of the European Union, of a hard core Carolinian would be a formidable ally of America against China, and deal with the conflict between the United Kingdom and the Germany at the beginning of the 20th century and the First World War without practically mentioning France! In fact, he traced the classic analysis of the Cold War to Kissinger on the one that goes up between the United States and China. He does not see that if, in the years 1960 to 1980, there were only two first-rank powers on the planet in military terms - the United States and the Soviet Union - there are three major players today 'hui. Russia still has a nuclear power equivalent to that of the United States and much higher than that of China even if the Russian economy is faltering. So that Russia will decide the winner in a possible Sino-US nuclear conflict if it takes place before 2030. Allison does not seem to consider that this conflict can take place before 2030, which is in fact the most likely, because after 2030 and if nothing derails in China, the United States will face China in the position of the United Kingdom against the United States between 1870 and 1910, with the same effect: the United States will have to withdraw on the North American continent and give up any significant influence on Eurasia. An additional

analysis error is fascinating in Allison's work as he is very influential in the US strategic intellectual community. By dwelling too closely on the Thucydides analysis made twenty-five centuries ago on the fight between two tiny powers in absolute terms, even if they were large relative to the time, clashing in a handkerchief of pocket - a subpart of small Greece -, Allison repeatedly notes that alliances between states facing a common enemy are an element of weakness rather than force. He wants proof that Athens does not control his allies, who do a "little anything" against Sparta without necessarily register their action in an "Athenian" strategy. Yet, once, against all other notations against the principle of alliances, he celebrates the alliance between the United Kingdom and the United States in the twentieth century. But what does he say? The success of this alliance was founded, I summarize with my words, on a shared culture and values and on the will to defend and promote a system of government that liberates men and strengthens nations when properly governed by men exemplary and determined. And then, period! Until the end, he dedicates alliances to groans. It is astonishing to note that Allison does not see the difference between alliances of odds and ends and circumstance and those between countries which, to reproduce a previous sentence, are based on a "culture and shared values and on the will to defend and promote a system of government that liberates men and strengthens nations when they are well governed by exemplary and determined men." This definition of good alliances, which I propose here to oppose the Allisonian contempt of alliances, is evidently at the heart of the distinction I made in the book between what would found the Hardcore Carolinian Core, seen as such an exemplary alliance. and the collapsing European Union of supposedly uniting countries that do not have shared strategic goals and fewer common values. It is enough to note the ease with which China, Russia or the United States buy so-called "European" governments with "cherry tails" provided that these tails arrive in the right pockets ... Allison's analysis remains nevertheless relevant on a key point. He rightly insists on the need, in developing a country's strategy, to properly analyze one's own vital interests and to distinguish them from objectives for which "we are not really ready to die".

## CONTRACTUAL ORDER

It is often difficult to explain the consequences of poor strategic decisions, especially at the initial moment when they seem to produce positive effects. This is the blind spot of aggressive policies by dictators, enlightened or populists, as mentioned in the introduction: at first, it's always good! In 1935-1938, the Germans were delighted! After his intervention in China in the 1930s, the Japanese people were thrilled! Following the capture of Kuwait by Saddam Hussein's troops in August 1990, the Iraqi people were proud! And then everything

goes wrong. Germany, Japan and Iraq were crushed. Not to mention Venezuela's Chavez and Maduro, who managed the exploit, by dint of delusional lies and after a happy initial phase of distribution of the oil rent during the first mandate of Chavez, in 1999-2000, to impoverish so systemically the potentially richest country in the world by its oil reserves! In addition, Maduro, president since March 2013, emptied Venezuela of its forces, its fellow citizens fleeing its monstrous regime by millions in Colombia, Brazil or even Peru. But again, at first it was good and Chavez was initially adulated. The United States will not be crushed, but they stop, with Donald Trump, to be the "good" gendarmes of the world to become the first factor of risk. Wanting to rule the world by force rather than leadership will simultaneously lead to weakening the United States, and to losing their legitimacy in leadership. To portray bad strategic decisions as such, let us move further back in time as they begin to take effect. Imagine first a miraculous scenario that sees the United States come back to themselves and triumph through their allies, then a disaster scenario with the United States continuing to humiliate their allies.

Let's look ahead and put ourselves in December 2023 to report on the events of 2019-2023! The Alliance of Free Nations was created by the Treaty of Paris in February 2021 and is led by the United States awakened from the initial Trumpian nightmare, either by a repentant Trump - less of his populism, which is unlikely, than his behavior that pushes him to hit his own allies - or, more likely, by a new president in case of a miracle in the US presidential election of November 2020. The Alliance has publicly formalized in the spring of 2021 military agreements secretly put implemented since October 27, 2019 by the military staffs of these countries, at the time of the creation of the Carolingian Core. Three weapon systems, built on combinations of vectors, played a decisive role during the open conflict of September 2022. First, a maritime couple: a new class of powerful stealthy frigates operating with submarines. attack, seven vessels of each type, and their support vessels constituting the famous control and assault groups (GCA) set up by the US, British and Carolinian navies. Then, the Alliance and Alliance of Nations, Russians and Indians infantry control and assault divisions (Dica) join the Americans, Britons and Carolians in 2020. Each Dica has 9,500 infantrymen from elite supported by 120 surveillance and assault helicopters and 200 heavy helicopters for bombing and transport and logistics as well as reconnaissance aircraft and air fighter and bombing groups (120 fighter bombers by Dica). Finally, drones have become decisive elements of the war and the Alliance of Free Nations has maintained a technical and operational superiority in this area. The reconnaissance drones work with the bombing and anti-submarine drones.



China should not feel threatened by the creation of the Alliance of Nations and it should be clear that it could join it if it undertook to respect the rules of a new global geostrategic order that it would be invited to co-construct as soon as it recognized the international character of the South China Sea and renounced the resumption of Taiwan by force. It was about convincing China that it would have a lot to lose by becoming the number one enemy on the planet and much to gain from building a peaceful new international order. The United States and its allies had to develop very quickly a new world, all the provisions of the new architecture of international relations should be ready for autumn 2021. The new global geostrategic order had the triple objective of managing the planet's scarce resources, controlling and managing greenhouse gas emissions and facilitating the transition to women's average fertility to stabilize and gradually reduce the population. at the level compatible with the survival of the planet. The limited ability of the Trump Administration to drive an ambitious collective project made the realization of a new global reality of the rapid constitution of Core E15, which miraculously took place on October 15, 2019. One could have feared the capacity of resistance and blockage of the current leadership of the Chinese Communist Party. This direction was nevertheless subject to the pressure of the Chinese middle class who wanted an agreement to be found while the hundreds of millions left behind a very inegalitarian China demanded to participate in the meal of the new Chinese prosperity. The moment Xi concludes with an agreement to build a new world order by creating a contractual system of co-management of the planet's scarce resources and organization of coexistence between mature countries on an Earth with depleted resources. The final agreement on the creation of a shared contractual order was signed on October 15, 2023. This is the ideal scenario that can be dreamed of with a repentant Trump or a new American president wearing the imperial mantle of an America remaining at the heart of a world based on the rule of law and respect for agreements concluded between nations.

Rising tensions towards the war

But the victory of intelligence is never certain. The incredible contempt of the leaders of northern Europe for those in the South, reinforced by their unfathomable mediocrity to understand the stakes of building a powerful Europe in a world in turmoil, and while Europe suffers from multiple divisions, can lead us to wait for the worst. Facing an America that continues to humiliate its secular allies, the temptation to turn initially to China is strong. It is therefore likely that the Europeans will not give birth to the hard core that is yet urgent to create given the strategic powerlessness of Germany and the political weakening France. In the absence of Europe, the potential for disaster resulting from the Sino-US struggle can be revealed at any time and more likely around 2022-2023 when Xi will have to show results in

return for his almost absolute personal power. If Trump has been re-elected in 2020, he will at the same time make the decisions that, from his point of view, will definitely make history. Trump's hardening of its allies and Europe's inability to break away from mediocrity has led China to deploy a new, China-centric, world order that is relatively unclear, as the Chinese want rules elastic enough to be able to give them the interpretation appropriate to their interests. The Chinese dictatorship prefers what is fluctuating to what is fixed and does not imagine a system of rules applying to all, as the American international order applied essentially to the United States as well as to other country, up to Trump, but rules whose meaning is fixed at the moment of solving each problem.

## **THE NEW WORLD ORDER BUILT BY CHINA**

The United States has often hit companies in many countries that have failed to comply with the embargoes they have been using on the grounds that they use US clearing houses even when they were outside the United States and as part of the United States. international laws. In order to avoid these extraterritorial laws, countries must acquire, as indicated in the first chapter, six instruments: a global currency with clearing houses independent of the United States, rating agencies, stock exchanges. first, powerful domestic investors, shipping companies and national semiconductor production. This is precisely what China has done. China started to create an international alternative payment system in 2019 to the US-dominated system using three currencies: the yuan, the euro and the ruble. This system, using Chinese technology and the most sophisticated encryption, operated outside the Swift system of interbank transactions that the United States had instrumentalised in the service of their national interests. It was used mainly by China, Russia, Iran and North Korea but also by many European and American companies! China had launched in 2018 commodity contracts in yuan and then in 2019-2020 generalized the quotations of oil and raw materials in yuan but also in euros at the request of energy and commodity exporting countries that preferred to be paid in this last currency.

The European Union created a credit rating agency in Paris in 2019, in connection with the arrival of the European Banking Authority in that city, in order to meet the expectations of emerging countries, China, Russia and from India, which no longer supported the arrogance of the Trumpian Administration. The Chinese and Russians were increasingly appealing to the big European shipping companies to have no connection with the United States in their

international trade. These companies had developed specific shipping lines that never made stops in the United States. All invoices were in euros in the Chinese interbank system.

But it was in the production of semiconductors that China concentrated its resources. In particular, she developed ultra-powerful semiconductors for artificial intelligence applications and autonomous cars, including drawing on designs of these 5G semiconductors stolen from Taiwan and South Korea. These semiconductors were used not only by Asian but also European and American automakers because they were cheap, receiving massive subsidies from the Chinese government in the form of unpaid loans. In order to organize this set of initiatives, in November 2019, China created a Global Infrastructure System (GIS) to promote the launching and financing of major projects related to the Belt and Road Initiative (BIS), giving China has privileged access to all countries willing to host Chinese infrastructure projects in Asia, Europe and Africa. IMS had promoted governance standards based on Chinese law and the idea that the interests of governments, be they centrally managed or market-driven, took precedence over those of corporations and individuals. China was seeking to establish a new global rule of law based on scientific, technical, financial and legal systems independent of the international order built by the Americans for seven decades after the Second World War. On many issues relating to human rights and the rights of private investors, this rule of law was unclear and its rules adaptable to always favor Chinese interests. The United States tried to limit the appeal of this new system of governance, but they struggled to attack the vices, which had abused the extraterritoriality of their laws, torn apart the major international agreements they had themselves negotiated in an international framework, or blocked the operation of the WTO dispute settlement body. In fact, Donald Trump had largely contributed to the emergence of this new world order, based on China, with the complicity of the Congress, which had let him do it and had never given the impression of understanding what was in China had also benefited from a keen ear of former US allies who were tired of being slapped by Trump. China's voluntarist policy had not allowed the creation of an Alliance of Free Nations, and America's former allies had finally yielded to the Chinese sirens since 2019, despite the visible hardening of the Chinese dictatorship. The United States lost a captive battle by mocking the rule of law and martyring their friends.

## **BREAK OF EURO ZONE**

To understand the effect of bad decisions, we must project ourselves in time. To measure the weaknesses of an institutional system, we must do the same. Since nothing significant occurred in the institutional organization of the euro area in 2018-2019, and under the effect of the hardening of the trade war between China and the United States at the same time, the growth of global economy had risen from 3.7% in 2018 to 2.6% in 2019, instead of the 3.9% forecast for these two years by the IMF in July 2018. Especially, in a new revision of the outlook for In 2020, the IMF announced at the end of January 2020 that growth would not exceed 1.2% that year for the world, 0.8% for the United States and -1% for the euro area. In Italy, GDP would fall by 3% and unemployment would exceed 13.7%. GDP is expected to decline by only 1.2% in Spain and 0.4% in France. The unemployment rate in the euro area would be 11.4% in 2020 and 13.2% in 2021. The interest rate differential on the 10-year public debt, with reference to the German debt and in percentage points, would reach 4.7 points for Spain and 7.1 points for Italy in the spring of 2020. And then everything exploded in February 2020 in the financial world. All southern euro-zone countries announced the reinstatement of exchange controls on February 10, 2020. Then on February 14, Italy suspended repayment of its public debt. It was followed by all other eurozone countries except Germany, Luxembourg, the Netherlands and Austria. The euro dropped to \$ 0.92. Then everything exploded politically in March 2020. The four previously named countries left the Eurozone to form the euromark, which was immediately above \$ 1.3 while the euro of the fifteen countries remaining in the zone fell to \$ 0.70. Trade barriers between the euromark zone and the eurozone were established in June and trade flows between the two zones fell by one-third in the six months that followed. The Central Bank of the euro zone moved from Frankfurt to Paris by a general agreement, a rigorous Spanish was appointed at its head in March 2020, which contributed to the rise of the euro to 0.85 dollar. All eurozone countries outside Italy announced the resumption of debt service in April 2020. A drastic restructuring of Italy (public debt, public services, constitutional system, etc.), worse than that of Greece, intervened quickly. The unemployment rate in Italy is 19.2% and the pogroms against immigrants have already caused thousands of deaths. The explosion of the euro zone has greatly aggravated the international situation and the trade war has redoubled. International trade in value fell by 27% from 2018 to 2021.

## **SCENARIO OF TRIGGERING CONFLICT BETWEEN CHINA AND THE UNITED STATES**

After the series of economic clashes on the Iranian trade and the JCPOA agreement reached by all US allies in 2018-2020, Donald Trump's re-election in November 2020 was the straw that broke the camel's back. The successive cracks in NATO on Ukrainian and Turkish questions and on the future of Syria and Iraq, while Trump had repeated in campaign that the fate of Europe was solely in his hands, led to a reaffirmation of the desire to build an autonomous independent military capability from France, and to a lesser extent from Italy and Spain. Germany, which had defeated the creation of the E15 Core in 2019, was increasing its defense effort too late, while Poland was trying to reach an agreement with the United States to protect against a possible Russian invasion.

Despite the disunity of the Europeans, the United States retained some allies, including the United Kingdom and France, which Trump had largely spared. Xi Jinping, who was nearing the end of his second presidential term, scheduled for March 2023, was facing a slowdown in the Chinese economy, whose growth rate rose from 6.5 percent in 2018 to 4.2 percent in 2020 and 3.8% in 2021, then to 1.7% for the year 2022. The trade sanctions imposed by Trump in 2018 had a higher impact than originally planned. To meet the commitments made in the trade agreement between China and the United States to limit the recessionary effects of the US trade war, China's steel production capacity was reduced by 18% and % from the autumn of 2019 to the spring of 2021. The result was an increase in unemployment which enraged the Chinese provinces. Above all, the collapse of international trade in 2020-21 had put Asia on its knees. Since then, ultra-nationalist movements have taken power everywhere. In order to maintain the unity of the Chinese Communist Party, whose various factions repressed since 2014-2015 - with a clear hardening in 2018-2019 - gave voice, Xi had raised the tone against Taiwan and multiplied the maneuvers in the Strait of Taiwan in 2020 and early 2021. In April 2021, Xi had personally attended a giant naval exercise, two and a half times larger than that of April 2018, which seemed to prelude the invasion of the island. Despite American warnings, activity in the Strait had not weakened until June. Then the intensity of the conflict seemed to be reduced during the summer and autumn of 2021. But the proliferation of strikes and unrest on the Chinese territory in the spring of 2022 - world GDP fell by 0.1% in 2021 and 0, 9% in 2022, in connection with the collapse of international trade - heightened pressure on Xi in the Chinese Communist Party. A contestation of Xi's thinking became more and more virulent<sup>4</sup>. Xi tried to regain control of the CCP by creating a diversion. On September 25, 2022, a gigantic Chinese armada, supported by 800 air force fighters, rushed off the Chinese coast towards Hsinchu and Kaohsiung. Despite US warnings, and after massive bombings of the island, missile fire having razed a significant portion of Taipei and aerial combat that destroyed more than 300 Chinese fighters and 260 Taiwanese

fighters, the first Chinese troops pushed the ground Taiwanese on September 26 late in the morning. The ground fighting was terrible. So far US naval forces, which were strengthening off Okinawa and the northern Philippines, had not come into action. On September 27, 2022, the confusion was at its height. At 10 pm, the London BBC announced in a special flash, based on information obtained in Hong Kong, that a first round of nuclear missiles, fired from four US submarines, had struck Beijing and Canton (Guangzhou) around 9:20 pm London time. The world was frozen with terror. The news was confirmed by the Pentagon twenty-one minutes later. There was no nuclear fire against Japan or the United States, but the invasion of Taiwan continued on 28 September. The Chinese government, which had been sheltered, still seemed to be in control of the country. All Chinese forces were mobilized. But on September 29, when the first reports showed at least 17 million deaths and serious injuries in Beijing and Canton, spontaneous demonstrations took place in major Chinese cities that had not been affected by nuclear fire. On the one hand, hundreds of thousands of Chinese nationalists demanded that Japan and California be razed.

On the other hand, tens of millions of Chinese demanded the end of the Communist Party's power. In August 2022, the deployment of three Dica in Da Nang and Vinh had shown that Southeast Asia could no longer stand up to Chinese imperialism, which had reached a high level since 2020 in the South China Sea. During the US strike on 27 September, the naval forces of the last allies of the United States - France, the United Kingdom, Japan and Australia - crossed within 150 miles of the Chinese coast. China, aware of the maritime power of the United States and its last allies, and the quiet support given by Russia to these countries, had not responded to US nuclear fire, because it understood that the implementation of state of maximum alertness of US and Russian nuclear forces left him no chance of survival in case of counter-attack on the United States or Japan. Despite the shooting of crowds by the Chinese army and militia that killed more than 30,000 people in the early days of October 2022, demonstrations against the power of the single party brought together 80 million Chinese on October 14 2022. A group of "modernist democrats", encouraged by the events, took power on October 26, 2022, by imprisoning the CCP's old guard. Xi committed suicide or was committed suicide at the time of his arrest. After more than a month of unrest, a new Political Bureau was set up by the CCP on December 4, 2022. Meanwhile, the Chinese army had taken full control of Taiwan after fighting and bombardment over the past year. 1.2 million dead. Russia had warned the Americans that it would not tolerate a new nuclear salvo against China. The renewal of Chinese political power and the Manila talks of December 2022 and January 2023 led the United States and the

international community to recognize the sovereignty of Shanghai, China's new capital, on Taiwan while China renounced its claims on the islets of the South China Sea. A border, accepted by all parties, was agreed between China, India, Nepal and Pakistan. India and Pakistan agreed to give up nuclear weapons while Chinese forces were limited to 120 nuclear warheads.

## ALTERNATIVE SCENARIO

In this last scenario, the darkest, Trump ended up disgusting the last allies of the United States to support them. After the nuclear attack of September 27, 2022, China, strong of the strategic isolation of the United States following the aggressive policy carried out by them against their allies in 2018-2021, decided to replicate and razed the big cities of the Japan, California and Washington State. Los Angeles, San Francisco and Seattle were burned to the ground. The Chinese strikes killed 52 million people. The American retort killed 415 million people in China. Russia forced the two belligerents to stop. The United States decided to liquidate NATO, to denuclearize Europe while prohibiting Europeans from acquiring significant military capabilities. Europe was totally vassalized by the United States, which settled the Iranian question by joint nuclear bombardments with Israel, which killed 11 million people in Iran. Turkish President Recep Erdogan was assassinated in obscure conditions as Israel invaded Lebanon and Syria to liquidate Hezbollah and the Syrian regime. A time overwhelmed by Hezbollah counter-attacks, Israel lost more than 70,000 men and 310,000 civilians before using its nuclear weapons. Human losses in Lebanon and Syria exceeded 3.2 million casualties. Russia had taken advantage of events to regain military control of Ukraine and the Baltic states. Trump looked away. Belarus has re-united with Russia and Russian troops are on the border with Poland. Hundreds of thousands of people from Podlaskie, Lublin Voivodeship, Mazovia and St. Croix piled their belongings in cars and vans to retreat west of Warsaw, where they settled in precarious conditions. The wildest noises are constantly running in Warsaw over an impending Russian invasion. Trump just tweeted that if the Russians approached the Oder-Neisse line, it would trigger a new world war. Oder-Neisse! America has abandoned Poland! According to the latest information, 3.5 million Poles have fled to Germany and France. The climate agreement was abolished and the entire Europe of data was placed under the sole command of the Gafamn. The rest of the world outside China was subjected to the same regime. BATHXD were banned from Chinese territory. The proliferation of radicalized Islamists, whose number reached 760,000 in Western Europe at the end of 2022, keeps it in a climate of civil war.

About 370,000 of the most dangerous are locked up in camps known as "de-radicalization" which are a flagrant failure, because radicalization is increasing. The Sino-American duopoly is unstable and the German refusal to build a strong strategic hard core in Europe in 2018-2019 had many terminal consequences for the freedom and prosperity of Europeans, and in the first place for the Germans after the war. the break-up of the euro and competitive devaluations, which led to the suspension of the single market in the spring of 2020 and its very partial recovery in 2021. The unemployment rate has just exceeded 12.7% in Germany and is rising rapidly.

It must be admitted that the French government was not very clear in 2017-2018 in its proposals to Europe and did not explicitly formulate the request for the creation of a Core Carolingian Core whose key mission is to put its members back into the race. to excellence in the digital revolution. But the Germans, the Dutch, and most of the leaders of Northern Europe were particularly stubborn in this negotiation. Emmanuel Macron, humiliated by the Germans, had not been re-elected in May 2022. His populist replacement did not take gloves, from October 2022, against Germany, designated as the public enemy number 1 in Europe and as the undertaker of free and sovereign Europe.

## **Conclusion**

Trump and Xi are sorcerer apprentices who are each the first enemy of their own country. Trump defeats the normative power and age-old alliances of the United States while diminishing the aura of the "indispensable nation." Xi hardens the Chinese Communist Party's grip on the population while initiating dangerous external adventures that contradict the teachings of Deng Xiaoping and the Chinese dynasties that built China. Trump invented national capitalism while Xi perfected the alliance between absolute capitalism and an increasingly totalitarian one-party, to the complete negation of all political freedom (see Chapter 2). The Sino-US rivalry in the digital revolution and the geostrategic domination of the world is total. Trump is absolutely wrong when he thinks that the loss of American industrial jobs is the result of unfair competition. It results mainly from the rise in labor productivity in the United States, the optimization strategies of American companies and the insufficient savings in this country, that the increase in the budget deficit resulting from its



policy is only 'aggravate ! Xi is absolutely wrong when he thinks of increasing China's global influence through Chinese ownership of the South China Sea and investments on the Silk Road based on loans to countries that will have trouble repaying them. while developing a social credit system that will impose in China an absolute totalitarian system. Big Xi thus forbids China from acquiring the status of "indispensable nation" at the moment when Trump is doing everything to break the American "indispensable nation" status acquired in 1917 and consolidated for seven decades after the Second World War. Trump seems to think that the world began its birth and that all the leaders of America who preceded it since 1917 until January 2017 were "gogols". Only he knows! A century of nothingness before the Light! But during this century of supposed nothingness, the United States became the first power in the world. They have cleverly drawn all the strings at their disposal so that they do not emerge from the United States of Europe, which could have competed with them before the Third Industrial Revolution but is no longer able to do so today, and have been able to promote the spread of their culture and way of life around the world. Today, because the world has changed, the United States must favor the emergence of a hard core Carolinian in Europe, despite the staggering mediocrity of the current leaders of Western Europe. What Trump does not even realize is that Europe and the world would not have accepted these lines of force structuring the world serving American interests if the United States had not emerged as the "indispensable nation" and a normative power certainly serving its interests, but also those of the free world. Similarly, without the status of "indispensable nation", the rest of the world outside China would not have tolerated the emergence of the Gafamn and the four big Anglo-Saxon financial audit firms, and the appropriation of data, the friendly spying and skull stuffing that go with it. The rest of the world outside China would not have so easily followed the United States in their attempt to contain China, and US allies would not have accompanied them to Afghanistan in the first Iraq war as well as in Syria. And it is not even sure that the fifty US states would have stayed together if the United States had been ruled by Trump for a hundred years! By breaking the aura of the "indispensable nation," Trump does not understand that he breaks the foundation of acceptance of American supremacy! And so, that the power of the United States will necessarily be challenged by dozens of decisions made separately or jointly by other countries, including and perhaps especially by the humiliated allies of the United States, aimed at breaking the lines visible or invisible forces of structuring the world that serve as a foundation for the power of America. The power of America is not measured by its production of coal and steel - it is an archaic vision - but by the vitality of its economy and the strength of its alliances. All is not lost for the United States yet, because they are very lucky. Bathed in multilateralism under the

enlightened command of the United States, their allies survive the fall of Rome. The other eleven TPP (Trans-Pacific Commercial Treaty) countries, outside the United States - which Trump has withdrawn from the treaty - do not want to give up the strategic gains of the treaty and signed a new agreement in March 2018 under the name of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This agreement takes up most of the TPP. It can not be excluded that the US economic and military establishment has quietly encouraged the conclusion of the CPTPP in the hope that a future US President will sign it ... So if Trump is not re-elected in 2020, this treaty, essential on the strategic plan for the containment of China, may be signed by a new president who understands the stakes. At the same time, the European Union and Japan signed an agreement on 17 July 2018 creating the largest free trade area in the world, with 650 million inhabitants before Brexit and nearly 600 million after. This zone produces a quarter of world GDP. The European and Japanese parliaments have yet to ratify the text, which provides that 85% of EU agri-food products will be able to enter Japan without duty. The agreement facilitates the provision of European services in Japan and the opening of public procurement markets to 48 European companies in forty-eight major Japanese cities. The Japanese are getting better access to the European car market. These agreements show that America's allies continue to practice the Latin of free trade and international cooperation in the service of multilateralism based on the rule of law despite the demise of American Rome. If a new American president, elected in 2020, expresses himself again in international Latin, Rome may be back in Rome. Thanks to America's secular allies, Trump, who ridicules the indispensable nation, has not yet broken the foundation of American power. But he will succeed in a second term. Only the emergence of a hard core of European nations, determined to prevail in the New Industrial Revolution of Entrepreneurial Economy, can contribute to easing the competition between China and the United States for world leadership, while preserving an open multilateral world based on the French and American Revolutions of the 1780s. This hard core Carolinian can be the key player in the creation of the alliance of free nations. The victory in the strategic fight between the United States and China will depend on the alliances that they will have or not to constitute. Trump is the divider of the free nations, the one who strikes his allies and negotiates with his enemies. But many voices rise in the United States against its policy of demolishing America's secular alliances. Can the intelligence of events, the eventual return of Rome to Rome and a miraculously acquired determination of Europeans prevent the Third World War? Answer September 27, 2022.