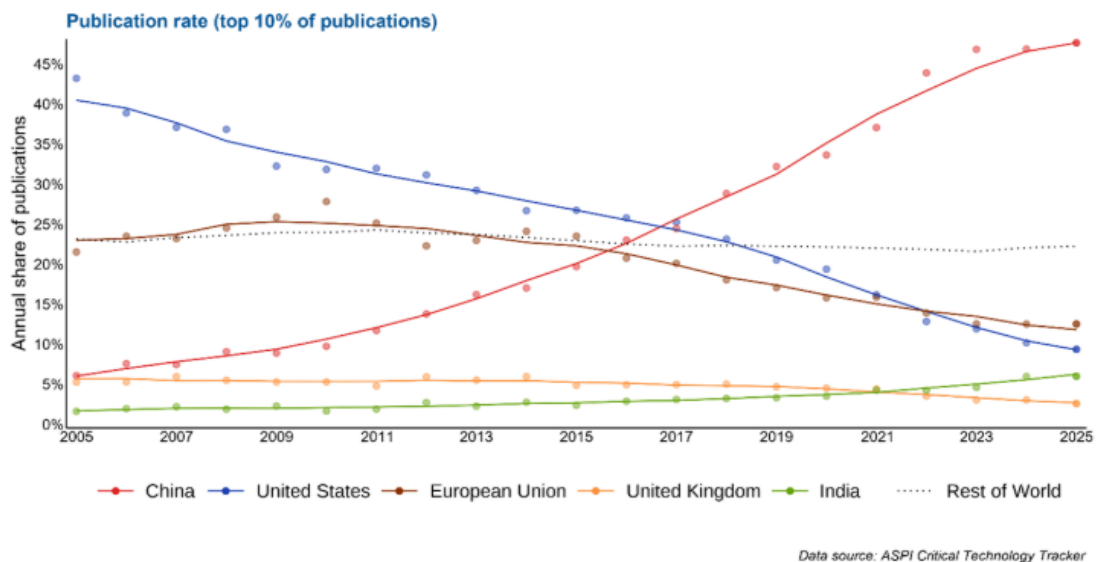


WHEN WILL RUSSIA AND CHINA COUNTER US AGRESSION AND WILL IT PROVOKE A WORLD WAR.

The latest US aggression against Venezuela was the culmination of a build up of US forces in the region which coincided with arrival of a [\\$1 billion Chinese floating refinery](#) on September 4th last year. The US strategy is clear; it is to nibble at China's periphery to weaken China's geopolitical position so as to negotiate a grand bargain by the time Trump arrives in Beijing in April. What is less clear is when China and Russia will no longer accept these attacks on their periphery.

Last year for the first time, on the trade front, China finally took retaliatory action against US economic and financial aggression [going as far back as 2018](#). Trump was forced to take a step back realising China had the industrial muscle to paralyse the US economy. As the [ASPI 2025 Critical Technology Tracker](#) reveals China now leads in 66 of the top 74 scientific engineering disciplines. And as this graph taken from the Australian Strategic Policy Institute shows, China continues to power ahead in terms of scientific publications and patents now approaching half of all top 10% publications.

Graph 1.



However scientific papers and patents should not be confused with commercial success. Many of these patents will never become profitable and if some do, many will have to wait for the technology to mature to move from the laboratory to the factory. In the meantime, crucial areas continue to be monopolised by the West such as microchip fabrication and commercial jet engines. But by 2030 China will dominate every sector squeezing out Western Corporations from most markets around the world.

Many Marxists focus on the financial side of the conflict. On the move away from the Dollar, pointing to the building of alternate financial and monetary networks bypassing traditional Western systems such as SWIFT. However, I have long maintained that technology is the key. Consider the following table taken from the [American Business History Centre](#). (It has a marvellous graphic which shows the changing position over time of the largest US corporations and how since 2018 the Hi-Tech companies have come to dominate the corporate landscape. It is certainly worth watching and gives new meaning

to Marx's earlier observations in Volume 3 of Das Kapital concerning the centripetal and centrifugal forces shaping the centralisation of capital.) We note that in 2025 the 5 non-financial corporations below each valued above \$1 trillion were over six times more valuable than the combined market cap of all US listed banks. This disproportionate market cap in turn reflected the disproportionate capture of surplus value by the Fishy Five Corporations below.

Table 1. Market Capitalisation 2025.

TOTAL MARKET CAP US BANKS	\$2.04 trillion	
Apple	\$3.4 trillion	
Microsoft	\$2.79 trillion	
Nvidia	\$2.64 trillion	
Amazon	\$2.1 trillion	
Alphabet	\$1.9 trillion	
TOTAL HI-TECH	\$12.83 TRILLION	

The Dollar depends not on the financial muscle of Wall Street, because the financial muscle of Wall Street itself depends on the value creation in the economy, and that is largely provided by Hi-Tech and Big-Pharma and little else. Once those sectors succumb to China's technical advances, once they lose their global monopoly profits and market share, what props up Wall Street, what underpins the Dollar, what convinces investors they will receive repayment of their debt - the answer is nothing.

This is the context of the war being waged. The US is suffering a scissors effect which is snipping away at its hegemony. The first blade, the technical blade comprises the rising Chinese technical side and the other blade, the falling US financial side.

This is not to dismiss the financial side. One of the issues with Venezuelan oil, despite China loading up oil before the assault on Caracas, is this, not only will US oil majors be welcomed back, but any oil sold to China will have to be sold in Dollars. The same would apply to Iran, and if Iran falls then the whole Middle East will be forced to move away from the Yuan and sell oil to China in Dollars once more. It could even come to pass that Russia will be allowed to freely export oil provided it is paid for in Dollars. The US is desperate to reinsert the Dollar back into world trade and this applies particularly to energy. The more trade that is conducted in Dollars the greater the demand for Dollars.

As the [table below](#) covering 2024 shows, Crude Oil, Petroleum oils and Petroleum gasses make up three of the ten largest traded commodities.

Table 2.

1.	Crude oil: \$1.09 trillion (down -7% from 2023)
2.	Integrated circuits/microassemblies \$1.07 trillion (up 12.4%)
3.	Cars \$948.1 billion (down -2.5%)
4.	Processed petroleum oils \$897.2 billion (down -9.3%)
5.	Gold (unwrought) \$590.1 billion (up 15.3%)
6.	Phone system devices: \$589 billion (down -0.6%)
7.	Computers, optical readers \$532.5 billion (up 31%)
8.	Medication mixes in dosage \$480.1 billion (up 5.5%)
9.	Automobile parts/accessories \$449.5 billion (down -2%)
10.	Petroleum gases \$426.9 billion (down -17.7%)

On September 6th the [Coalition of the Killing](#) met in Paris. 35 countries attended. They agreed inter alia that 15-30,000 western troops were to be stationed in what remained of Ukraine to guarantee the security of that country and rebuild its broken army, if and when a peace deal is secured. France and Germany pledged that their troops would guard Ukrainian military bases which means that if these bases were attacked by Russia, it would provoke war with Europe. Of course, these proposals will be rejected outright by Russia which insists on the demilitarisation of the Ukraine. Russia did not fight a war to prevent Ukraine joining NATO only for NATO troops to invade Ukraine under a different guise.

Trump will not get his peace in Ukraine. Instead, he will leave it to the Europeans to continue the war, which is why Europe is going on a war footing. As I have said previously, the US by provoking a war in Ukraine, has itself been defeated there but it has secured a consolation prize, the wrecking of the EU economy and therefore the elimination of a competitor as it faces up to China.

Many readers have pondered why the EU, particularly Germany, has 'blindly' followed the US in its provocation of Russia. They see it as an exercise in economic self-harm. The answer is China. Survey after survey of German corporations by the likes of Ernest & Young had revealed how petrified these corporations were of rising Chinese competition. And they were right to be petrified, just look at what has happened to their much-vaunted German car industry. Attacking Russia with the expectation of regime change was always seen as strengthening their bargaining position viz a viz China.

In July 2025 in Brussels, the [Chinese Foreign Minister met with high-ranking EU officials](#). China made it clear that it was moving from being a passive onlooker to an active participant in global politics. The foreign minister revealed that China would not allow Russia to fail in Ukraine because China recognised that losing Russia would expose China to the full force of the West. Gone was the neutrality China had hidden behind, now China was willing to retaliate. Unfortunately, the Europeans did not get the message that Russia was unassailable when backed by China.

This mid-year meeting also coincided with China showing more economic muscle by pushing back against the continuous US embargos and sanctions against their country. These targeted and proportional retaliatory measures were sufficient for Trump to engage his reverse gear. 2025 will go down as the year when China first stood up to the USA economically.

However, China unlike Russia, has yet to confront the US militarily or to retaliate against US military aggression with economic sanctions. This is clear over Venezuela. Despite Russia and China holding a collective \$87 billion in assets in Venezuela, likely to be forfeited to the US given Trump's insistence that all Venezuelan oil revenues belong to Washington, neither Russia nor China has retaliated besides issues statements denouncing US lawlessness.

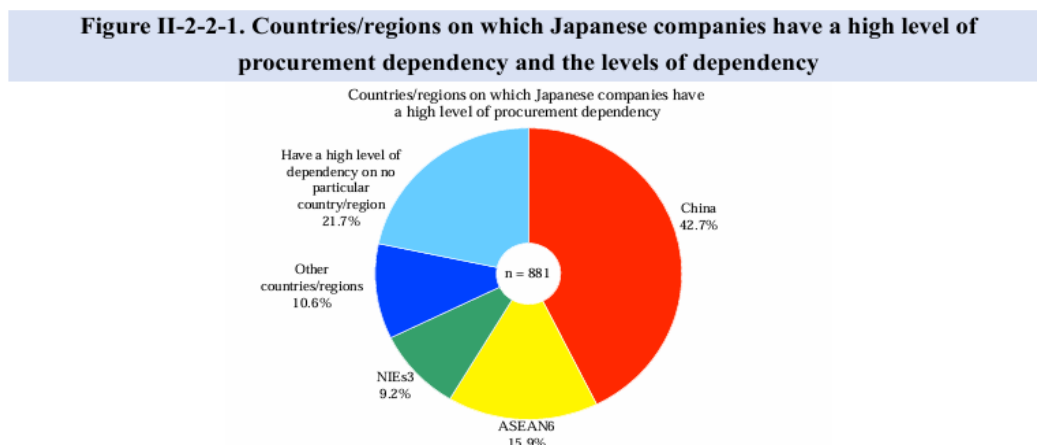
Russia recognises that the West is not only determined to pursue the war within Ukraine but to expand it beyond Ukraine's borders to compensate for the defeats of the Ukrainian army within the country. This expansion of the war beyond Ukraine and Russia's borders, an act of desperation by the West, intended to pressure Russia, carries the risk of globalising the conflict. In addition, the [US media finally admitted](#) that the CIA is involved in attacking targets in Russia and on the high seas. So, while Trump postures as a peacemaker, on the ground and on the seas, the US continues to engage directly in the war with Russia.

Over the last week this confrontation has escalated. The US on its own and hiding behind Ukraine has attacked three Russian tankers within the space of 24 hours. Then there was the earlier attack on Putin's residence. This constant prodding has snapped Russia's patience. It finally used its devastating Oreshnik missile against an underground Gas Storage facility in Ukraine near the Polish border. Pictures afterwards showed the sky lit with burning gas proving that this missile does penetrate deep into the earth. In addition the [Russian Navy has captured Western Ships](#) with an insured value, including cargo, of \$3 billion, in the Black and Caspian seas. Clearly this tit for tat retaliation represents a serious escalation and playing this kind of chicken carries its own risks.

On the other hand, China has only flexed its military muscle in relation to Taiwan and the islands around China. Whenever Taiwan has increased its military posture or whenever other countries such as Japan have offered increased support for Taiwan, China has conducted extensive military exercises around Taiwan to demonstrate its capabilities. In addition, there have been numerous naval skirmishes between smaller Chinese vessels and Filipino vessels around the disputed Scarborough and Panatag shoals.

If the US is purposing the Philippines as the Ukraine of the Pacific, then it is purposing Japan as the EU. Just as the rupture between Russia and the EU proved economically costly to the EU, so too will any rupture between China and Japan. While Japan remains dependent on some Japanese technologies such as chip manufacturing and [high-end Industrial Robots](#), this dependency is rapidly being eroded as [local producers](#) start taking over, on the way to capturing half the market for robots. On the other hand, Japan's dependency on Chinese imports has grown. *"Japan was highly dependent on China for nearly 40 percent of the goods brought into the country in 2022, according to a white paper on the origin of 4,300 items recently published by the Ministry of Economy, Trade and Industry. According to a Japanese government report in 2022, the equivalent figure was about 23 percent in 2019."* And it is not only consumer goods but intermediate goods making up 40% of imports. The [METI graph](#) below is based on 50%+ dependency, but if we reduce to a 30%+ dependency the figure rises from 42.7% to 60.9%. Thus, dependency grew between 2022 and 2024. It also reveals little dependency on the USA.

Graph 2.



²⁰⁹ The survey period: From January to February 2024; survey subjects: Companies (in the manufacturing and wholesale/retail trade industries) located in Japan and owning overseas subsidiaries that have been selected from the database of Tokyo Shoko Research; survey method: distributing and collecting a questionnaire by postal mail; the number of companies to which the questionnaire was mailed: 7,280; the number of companies that gave valid replies: 1,104 companies; recovery rate: 15.2%.

China has immediately banned the export of what it considers dual use products to Japan in retaliation for what it considers Japan's rising militarisation and its interference in Chinese internal affairs referencing remarks on Taiwan. *"[In remarks to parliament](#) in November, (Premier) Takaichi said that a Chinese attack on Taiwan would be a "survival-threatening situation" for Japan, meeting the threshold to exercise the right of collective self-defence under the country's war-renouncing constitution."* According to the IMF, when measured in local currency units, China's economy is over seven times larger than Japan's. China is also Japan's second biggest export destination though [exports have remained stable](#). In terms of [direct investment in 2024](#) Japan is still integrated into the US economy with 44% of its direct investment headed for North America. Hence its affinity with the Whitehouse.

Can China protect its vast sea lanes beyond the South China Sea? This is unlikely for the time being. Despite China now having numerically the largest Navy it is still outclassed by the US navy with its larger vessels and more missile tubes, though [the gap is closing rapidly](#). The real disadvantage lies under the sea because US submarines are qualitatively superior to existing Chinese vessels.

Conclusion.

The world is in a precarious place. The arms race is out of control. Climate change is out of control. Based on [SIPRI's 2024 data](#) the governments of this world are likely to have spent nearly \$3 trillion on their militaries in 2025. Copernicus EU data up to November reveals the high probability that 2025 was the third hottest year after 2023 and 2024, with the [three-year average above 1.5°C](#). The money spent on arms needs to be spent preventing harms to the planet, but this is impossible as long as the profit system remains in place.

The peace-loving Trump is on the warpath. He threatened Greenland, Columbia, Iran and Mexico all in a single week. One wonders who is next. But to be sure, it will not countries adjacent to China. Cowards shrink back from doing so. Instead, he will focus on China and Russia's periphery apart from Iran, a war of attrition.

China is not doing the world a favour. Its hesitancy will make Trump bolder; he will be encouraged to raise the stakes, take more risks. Best to confront him sooner rather than later. One thing is clear, with Trump considering himself to be on a winning streak despite Ukraine, a misstep is highly likely.

China will soon find itself in an impossible situation. It will find itself losing more than it gains from stepping aside. That is the inflection point which Washington will test and test. Unless China changes its stance, Trump's position will be more muscular by the time Airforce One touches down in Beijing in April, if it ever does. This is his purpose; to wear China down and isolate it, to dismantle BRICS, to bully all into submission.

But if China can no longer step down or aside, and if the international proletariat merely looks on, the world will have reached the crossroads, where a system which should have long since been abolished imperils all that has come before.

Brian Green 9th January 2026.