Zain Raza:

So let’s move forward, excuse me for interrupting you, to economic policies during that era in Europe. There was a huge rebuilding effort in Germany under the Marshall Plan. In German mainstream perception and historical literature it is seen as a very noble endeavor based on principles of cooperation and so forth and so on. However, in your book titled Understanding Power, you write, and let me quote you here: The Marshall Plan was designed largely as an export-promotion operation for American business, not as the noblest effort in history, and it failed. Can you please elaborate on that.

Noam Chomsky:

That’s approximately what it did. Most of the Marshall Plan money actually was transferred from one bank to another in the United States. There was a big problem at the time, a major problem, of industrial overproduction. The US had a big surplus of industrial production, and the world just didn’t have markets. The world was virtually devastated by the war. So part of the attempt to create markets for US excess production was what I described before, ensuring that the former colonial areas would provide dollars to Europe, so they could purchase US industrial production, called triangular trade programs.

Another was the Marshall Plan, which did provide funding to purchase American exports. In the course of it Europe did develop. Incidentally, I think, about probably 2 billion dollars of the 13 billion dollars went for oil imports. That was part of the US effort to turn Europe into an oil-dependent economy. The United States controlled the oil, Europe had coal, not oil, same in Japan. They tried to turn them into oil-dependent economies; the reason that was expressed clearly by George Kennan was that if we did that we would have what he called veto power over their policies, because we would essentially control the energy spigots.

All of that is not to deny what in fact is true: it did help European recovery to some extent. How much is argued. But to some extent it did develop the European economy, but it was also a big boost to the United States. In fact, if you look at business literature in the United States, they described this program, correctly, as the source of the modern multinational corporation. It provided
opportunities for US multinationals, then beginning to develop extensively, to move into Europe as a major area for investment, production, marketing and so on. Governments aren’t altruistic institutions. They’re working for their interests. And that means the interests of dominant elements within the society. And they can sometimes have beneficial effects, but those are rarely the driving forces, not just in the United States, but anywhere else as well.

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