

Americanizing France: The Marshall Plan, Reconsidered

Reflections inspired by a new book by Annie Lacroix-Riz, *Les origines du plan Marshall: Le mythe de "l'aide" américaine*, Armand Colin, Malakoff, 2023.

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Last summer, motoring from Paris to Nice through what Parisians call "la France profonde", I could not help but notice how thoroughly France has been Americanized.

The scenery in Burgundy and Provence is as lovely as ever, and the old towns are still extremely picturesque, but one now enters most if not all of them along gasoline alleys lined with hamburger joints dispensing "malbouffe", car dealerships, and shopping centers with exactly the same retailers you would find in malls on the other side of the Atlantic, plus piped-in music featuring not Edith Piaf but Taylor Swift.

I was motivated to find out more about why, when, and how this "coca-colonization" of France had started and, as it happened, I found the answer in a book that had just come off the press; it was written by maverick historian Annie Lacroix-Riz, author of quite a few other remarkable opuses, and its title promises to clarify the origins of the famous Marshall Plan of 1947.

The history of the United States is bursting with myths, such as the notions that the conquest of the Wild West was a heroic undertaking, that the country fought in World War I for democracy, and that Oppenheimer's Bomb wiped out over 100,000 people in Hiroshima to force Tokyo to surrender, thus presumably saving the lives of countless Japanese civilians and American soldiers.

Yet another myth involves American "aid" to Europe in the years following World War II, epitomized by the so-called "European Recovery Program", better known as the Marshall Plan, because it was George C. Marshall, a former chief of staff of the army and Secretary of

State in the Truman administration, who formally launched the project in a speech at Harvard University on June 5, 1947.

Image: The labeling used on aid packages created and sent under the Marshall Plan. (From the Public Domain)



The myth that arose virtually instantaneously about the Marshall Plan holds that, after defeating the nasty Nazis, presumably more or less singlehandedly, and preparing to return home to mind his own business, Uncle Sam suddenly realized that the hapless Europeans, exhausted by six years of war, needed his help to get back on their feet.

And so, unselfishly and generously, he decided to shower them with huge amounts of money, which Britain, France, and the other countries of Western Europe eagerly accepted and used to return not only to prosperity but also to democracy.

The “aid” dispensed under the auspices of the Marshall Plan, then, supposedly amounted to a free gift of money. However, it has been known for some time that things were not so simple,

that the Plan aimed at conquering the European market for US export products and investment capital, and that it also served political purposes, namely preventing nationalizations and countering Soviet influence.[1]

Even so, the myth about the Marshall Plan is kept alive by the authorities, academics, and the mainstream media on both sides of the Atlantic, as reflected by the recent suggestion that Ukraine and other countries that are also in economic dire straits need a new Marshall Plan.[2]

On the other hand, critical historical investigations reveal the illusionary nature of the myth woven around the Marshall Plan. Just last year, the French historian Annie Lacroix-Riz has produced such an investigation, focusing on the antecedents of the Plan, and while her book understandably focuses on the case of France, it is also extremely helpful for the purpose of understanding how other European countries, ranging from Britain via Belgium to (West) Germany, became recipients of this type of American “aid”.

Lacroix-Riz’s book has the merit of viewing Marshall’s scheme in the *longue durée*, that is, of explaining it not as a kind of post-WW II singularity but as part of a long-term historical development, namely the worldwide expansion of US industry and finance, in other words,

the emergence and expansion of American imperialism.

This development may be said to have started at the very end of the 19th century, namely when Uncle Sam conquered Hawaii in 1893 and then, via a “splendid little war” fought against Spain in 1898, pocketed Cuba, Puerto Rico, and the Philippines.

US finance, industry, and commerce, in other words: American capitalism, thus expanded its profitable activities into the Caribbean, the Pacific, and the Far East. Privileged access to the resources and markets of those far-flung territories, in addition to those of the already gigantic home market, turned the US into one of the world’s greatest industrial powers, capable of challenging even Britain, Germany, and France.

But Europe’s great powers also happened to be expanding worldwide, in other words, becoming “imperialist”, primarily by adding new territories to their existing portfolios of colonial possessions. The imperialist powers thus became increasingly competitors, rivals, and either antagonists or allies in a ruthless race for imperialist supremacy, fueled ideologically by the prevailing social-Darwinist ideas of “struggle for survival”.

This situation led to the Great War of 1914-1918. The US intervened in this conflict, but rather late, in 1917, and did so for two important reasons: first, to prevent Britain from being defeated and thus be unable to pay back the huge sums it had loaned from American banks to buy supplies from American industrialists; second, to be among the imperialist victors who would be able to claim a share of the loot, including access to the gigantic market and vast resources of China.[3]

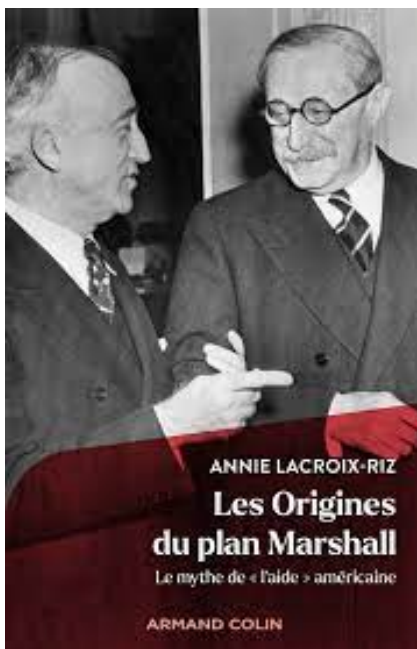
The Great War was a godsend to the US economy, as trade with the allies proved immensely profitable. The war also caused Britain to withdraw most of its investments from Latin America; this made it possible for these countries to be penetrated economically and dominated politically by Uncle Sam, thus achieving a US ambition formulated approximately one century earlier in the Monroe Doctrine of 1823. The US increasingly needed new markets for its products — and for its mushrooming stock of investment capital — because its industry had become super-productive thanks to the introduction of so-called Fordist techniques, that is, the system of mass production pioneered by Henry Ford in his automobile factories, epitomized by the assembly line. American capitalism now enjoyed the huge advantage of “economies of scale”, that is, lower production costs due to their scale of operation,[4] which meant that American industrialists were henceforth able to outperform any competitors in a free market. It is for this reason that the US government, which had systematically relied on protectionist policies in the 19th century, when the country’s industry was still in its fledgling stage, morphed into a most eager apostle of free trade, energetically and systematically seeking “open doors” for its exports all over the world.

However, in the years after World War I industrial productivity was also increasing elsewhere, which led to overproduction and ultimately triggered a worldwide economic crisis, known in the US as the Great Depression. All the great industrial powers sought to protect their own industry by creating barriers on imports duties, thus creating what US businessmen detested, namely “closed economies”, including the economies not only the “mother countries” but also their colonial possessions, whose markets and rich mineral wealth might have been made available to Uncle Sam via free trade. To America’s great chagrin, Britain thus introduced a highly protectionist system in its empire, referred to as “imperial preference”. But with the Smoot-Hawley Tariff Act of 1930, the US likewise sought

to protect its own industry by means of high import duties.

In the dark night of the Great Depression, Uncle Sam could perceive only one ray of light, and that was Germany. In the 1920s, the unprecedented profits generated by the Great War had allowed numerous US banks and corporations such as Ford to start up major investments in that country.[5] This “investment offensive” is rarely mentioned in history books but is of great historical importance in two ways: it marked the beginning of a transatlantic expansion of US capitalism and it determined that Germany was to serve as the European “bridgehead” of US imperialism. US capitalists were elated to have chosen Germany when it turned out that, even in the context of the Great Depression, excellent business could be done by their subsidiaries in the “Third Reich” thanks to Hitler’s rearmament program and subsequent war of conquest, for which firms such as Ford and Standard Oil supplied much of the equipment — including trucks, tanks, airplane engines, and machine guns – as well as fuel.[6] Under Hitler’s Nazi regime, Germany was and remained a capitalist country, as historians such as Alan S. Milward, a British expert in the economic history of the Third Reich, have emphasized.[7]

Image [source](#)



The United States had no desire to go to war against Hitler, who proved to be so “good for business”. As late as 1941, the country had no plans for military action against Germany at all, and it would only “back into” into the war against the Third Reich, as an American historian has put it, because of the Japanese attack on Pearl Harbor.[8] However, the conflict unleashed by Hitler created fabulous opportunities for the US to crack open “closed economies” and create “open doors” instead. At the same time, the war enabled Uncle Sam to subjugate economically, and even politically, some major competitors in the great imperialist powers’ race for supremacy, a race that had triggered the Great War in 1914 but remained undecided when that conflict ended in 1918, so that may be said to have sparked another world war in 1939.

The first country to be turned into a vassal of Uncle Sam was Britain. After the fall of France in the summer of 1940, when left alone to face the terrifying might of Hitler’s Reich, the former Number One of industrial powers had to go cap in hand to the US to loan huge sums

of money from American banks and use that money to buy equipment and fuel from America's great corporations. Washington consented to extend such "aid" to Britain in a scheme that became known as "Lend-Lease". However, the loans had to be paid back with interest and were subject to conditions such as the promised abolition of "imperial preference", which ensured that Britain and its empire would cease to be a "closed economy" and instead open their doors to US export products and investment capital. As a result of Lend-Lease, Britain was to morph into a "junior partner", not only economically but also politically and militarily, of the US. Or, as Annie Lacroix-Riz puts it in her new book, Lend-Lease loans to Britain spelled the beginning of the end of the British Empire.[9]

However, Uncle Sam was determined to use free trade to project his economic as well as political power not only to Britain, but to as many countries as possible.[10] In July 1944, at a conference held in the town of Bretton-Woods, New Hampshire, no less than forty-four nations, including all those that found themselves in an uncomfortable economic position because of the war and were therefore dependent on American assistance, were induced to adopt the principles of a new economic world order based on free trade. The Bretton-Woods Agreement elevated the dollar to the rank of "international reserve currency" and created the institutional mechanisms that were to put the principles of the new economic policy into practice, above all the International Monetary Fund (IMF) and the World Bank, so-called international organizations that have always been dominated by the United States.

In her new book, Lacroix-Riz frequently refers to Uncle Sam's pursuit of postwar free trade in general but does of course focus on the case of France, which was a different kettle of fish compared to, say, Britain or Belgium. Why? After its defeat in 1940, France and its colonial empire were to remain for a long time under the authority of a government led by Marshal Pétain, ensconced in the town of Vichy, which collaborated closely with Nazi Germany. The Roosevelt administration formally recognized this regime as the legitimate government of France and continued to do so even after the US entered the war against Germany in December 1941; conversely, FDR refused to recognize Charles de Gaulle's "Free French" government exiled in Britain.

It was only after American and British troops landed in North Africa and occupied the French colonies there in the fall of 1942, that relations between Washington and Vichy were terminated, not by the former but by the latter. Under the auspices of the Americans, now the de facto masters of France's colonies in North Africa, a French provisional government, the Committee of National Liberation (Comité français de Libération nationale, CFLN), was established in Algiers in June 1943; it reflected an uneasy fusion of de Gaulle's Free French and the French civil and military authorities based in Algiers, formerly loyal to Pétain but now siding with the Allies. However, the Americans, arranged for it to be headed not by de Gaulle but by General François Darlan, a former Pétainist.

Darlan was one of the numerous recycled Vichy generals and high-ranking civil servants who – as early as the summer of 1941 or as late as the end of the Battle of Stalingrad, in January 1943 – had realized that Germany was going to lose the war. They hoped that a liberation of France by the Americans would prevent the Resistance, led by the communists, from coming to power and implementing radical and possibly even revolutionary, anticapitalist social-economic as well as political reforms. These Vichyites, representatives of a French bourgeoisie that had fared well under Pétain, feared that "a revolution might break out as soon as the Germans withdrew from French territory"; they counted on the Americans to arrive in time "to prevent communism from taking over the country" and looked forward to see the US replace Nazi Germany as "tutor" of France and protector of

their class interests.[11] Conversely, the Americans understood only too well that these former Pétainists would be agreeable partners, ignored or forgave the sins the latter had committed as collaborators, labelled them with the respectable epithet of “conservative” or “liberal”, and arranged for them, rather than Gaullists or other leaders of the Resistance, to be placed in positions of power.

The American “appointment” of Darlan paid off virtually immediately, namely on September 25, 1943, when the French provisional government signed a Lend-Lease deal with the US. The conditions of this arrangement were similar to those attached to Lend-Lease with Britain and those that were to be enshrined one year later at Bretton-Woods, namely, an “open door” for US corporations and banks to the markets and resources of France and its colonial empire. That arrangement was euphemistically described as “reciprocal aid” but was in reality the first step in a series of arrangements that were to culminate in France’s subscription to the Marshall Plan and impose on France what Lacroix-Riz describes as a “dependency of the colonial type”. [12]

The FDR administration would have preferred to continue dealing with France’s former collaborators, but that course of action triggered serious criticism stateside as well as in France itself. In October 1944, after the landings in Normandy and the liberation of Paris, de Gaulle was finally recognized by Washington as the head of the French provisional government, because two things had become clear. First, from the perspective of the French people, he was widely considered fit to govern since his reputation, unlike that of the Pétainists, was not soiled by collaboration; to the contrary, having been one of the great leaders of the Resistance, he enjoyed immense prestige. Second, from the Americans’ own point of view, de Gaulle was acceptable because he was a conservative personality, determined not to proceed with nationalizations of banks and corporations and other radical, potentially revolutionary social-economic reforms planned by the communists. On the other hand, the Americans continued to have issues with the General. They knew very well, for example, that as a French nationalist he would oppose their plans to open the doors of France and her empire to US economic and, inevitably, political penetration. And they also realized that, once the war would be over, he would claim financial and industrial reparations and even territorial concessions from defeated Germany, claims that ran counter to what Uncle Sam perceived to be vital American interests. Let us briefly look into that issue.

We know that the many branch plants of American corporations in Nazi Germany were not expropriated even after the US went to war against Germany, raked in unseen profits which were mostly reinvested in Germany itself, and suffered relatively little wartime damage, mainly because they were hardly targeted by allied bombers.[13] And so, when the conflict ended, US investment in Germany was intact, greater, and potentially more profitable, than ever before; this also meant that, as a bridgehead of US imperialism in Europe, Germany was more important than ever. Uncle Sam was determined to take full advantage of this situation, which required two things: first, preventing anticapitalist social-economic changes not only in Germany itself but in all other European countries, including France, whose domestic and colonial markets and resources were expected to open up to American goods and investments; and second, ensuring that Germany would not have to pay significant reparations, and preferably none at all, to the countries that had been victimized by the furor teutonicus, since that would have ruined the profit prospects of all German businesses, including those owned by US capital.[14]

To achieve the first of these aims in France, the Americans could count on the collaboration

of the government of the conservative de Gaulle, the more so since, as a condition for finally being “anointed” by Washington in the fall of 1944, he had been coerced to recycle countless former Pétainist generals, politicians, high-ranking bureaucrats, and leading bankers and industrialists, and to include many of them in his government. However, after years of German occupation and rule by a very right-wing Vichy regime, the French, not the well-to-bourgeoisie but the mass of ordinary people, were in a more or less anti-capitalist mood. De Gaulle was unable to resist the concomitant widespread demand for reforms, including the nationalization of automobile manufacturer Renault, a notorious collaborator, and the introduction of social services similar to those that were to be introduced in Britain after Labour’s advent to power in the summer of 1945 and became known as the Welfare State. From the perspective of the Americans, the situation became even worse after the elections of October 21, 1945, when the Communist Party won a plurality of votes and de Gaulle had to make room in his cabinet for some communist ministers. Another determinant of the American aversion for de Gaulle was that he was a French nationalist, determined to make France a grande nation again, to keep full control of its colonial possessions, and, last but not least, to seek financial and possibly even territorial reparations from Germany; these aspirations conflicted with the Americans’ expectation of “open doors” even in the colonies of other great powers and, even more so, with their plans with respect to Germany.

Thus we can understand the stepmotherly treatment Washington meted out in 1944-1945 to a France that was economically in dire straits after years of war and occupation. Already in the fall of 1944, Paris was informed that there were to be no reparations from Germany, and it was in vain that de Gaulle responded by briefly flirting with the Soviet Union, even concluding a “pact” with Moscow that would prove to be “stillborn”, as Lacroix-Riz puts it.[15] As for France’s urgent request for American credits as well as urgently needed food and industrial and agricultural supplies, they did not yield “free gifts” of any kind, as is commonly believed, for reasons to be elucidated later, but only deliveries of products of which there was a glut in the US itself and loans, all of it to be paid in dollars and at inflated prices. Lacroix-Riz emphasizes that “free deliveries of merchandise to France by the American army or any civil organization, even of the humanitarian type, never existed”.[16]

The Americans were clearly motivated by the desire to show de Gaulle and the French in general who was the boss in their country, now that the Germans were gone. (De Gaulle certainly understood things that way: he often referred to the landings in Normandy as a second occupation of his country and never attended even one of the annual commemorations of D-Day.) It was not a coincidence that the American diplomat who was appointed envoy to France in the fall of 1944 was Jefferson Caffery, who had plenty of experience in lording it over Latin American “banana republics” from US embassies in their capitals.[17]

De Gaulle headed a coalition government involving three parties, the “Gaullist” Christian-democratic Popular Republican Movement (MRP), the Socialist Party, then still officially known as the French Section of the Workers’ International (SFIO), and the Communist Party (PCF). The general himself resigned as head of the government on January 20, 1946, but “tripartism” continued under a string of cabinets headed by socialists such as Félix Gouin and MRP headmen like Georges Bidault. Yet another socialist, Paul Ramadier, would lead the final tripartite government from January until October 1947; on May 4 of that year, he brought tripartism to an end by expelling the communists from his government.

With the pesky de Gaulle out of the way, the Americans found it much easier to proceed with their plans to “open the door” of France and penetrate the former grande nation

economically as well as politically. And they managed to do so by taking full advantage of the country's postwar economic problems and urgent need for credits to purchase all sorts of agricultural and industrial goods, including food and fuel, and finance reconstruction. The US, which had emerged from the war as the world's financial and economic superpower and richest country by far, was able and willing to help, but only at the conditions already applied to the Lend-Lease agreements, outlined and enshrined in the Bretton-Woods Agreements, conditions certain to turn the beneficiary, in this case France, into a vassal of Uncle Sam – and an ally in its “cold” war against the Soviet Union.

In early 1946, Léon Blum, a high-profile socialist leader who had headed France's famous Popular Front government in 1936, was sent to the US to negotiate a deal with Truman's Secretary of State, James F. Byrnes. Blum was accompanied by a retinue of other high-profile politicians, diplomats, and high-ranking civil servants; it included Jean Monnet, the CFLN's agent in charge of supplies (ravitaillement), who had been overseeing the purchases of weapons and other equipment in the US, where he had developed a great fondness for the country and for things American in general. These negotiations dragged on for months, but eventually yielded an agreement that was signed on May 28, 1946, and soon ratified by the French government. The Blum-Byrnes Agreement was widely perceived as a wonderful deal for France, involving free gifts of millions of dollars, loans at low-interest rates, deliveries at low cost of all sorts of essential food, industrial equipment, and was proclaimed by Blum himself as “an immense concession” from the Americans.[18]

However, Lacroix-Riz begs to differ. She demonstrates that the meetings between Byrnes and Blum did not involve genuine negotiations but amounted to an American Diktat, reflecting the fact that the French side “capitulated” and meekly accepted all the conditions attached by the Americans to their “aid” package. These conditions, she explains, included a French agreement to purchase, at inflated prices, all sorts of mostly useless “surplus” military equipment the US army still had in Europe when the war had come to an end, disparagingly referred to by Lacroix-Riz as “unsellable bric-à-brac”. [19] Hundreds of poor-quality freighters, euphemistically known as Liberty Ships, were similarly foisted on the French. The supplies to be delivered to France included very little of what the country really needed but virtually exclusively products of which there was a glut in the US itself, due to the decline of demand that resulted from the end of the war and economists, businessmen, and politicians to fear that America might slide back into a depression, bringing unemployment, social problems, and even demand for radical change, as had been the case in the Depression-ridden “red thirties”. [20] Postwar overproduction constituted a major problem for the US and, as Lacroix-Riz, writes, continued to be “extremely worrisome in 1947”, but exports to Europe appeared to offer a solution to the problem; she adds that “the final stage of the frenzied search for [this] solution of the problem of postwar overproduction” would turn out to be the Marshall Plan, but it clear that the Blum-Byrnes Agreements already constituted a major step in that direction. [21]

Moreover, payment for US goods had to be made in dollars, which France was forced to earn by exporting to the US at the lowest possible prices due to the fact that the Americans had no urgent need for French import and therefore enjoyed the advantage of a “buyer's market”. France also had to open its doors to Hollywood productions, which was most detrimental to her own movie industry, virtually the only concession of the agreement that was to receive public attention and it still remembered today. (The Wikipedia entry about the Blum-Byrnes Agreement deals virtually exclusively with that issue.) [22] Yet another condition was that France would compensate US corporations such as Ford for wartime

damages suffered by their subsidiaries in France, damages that were in fact mostly due to bombings by the US Air Force. (Incidentally, during the war, Ford France had produced equipment for Vichy and Nazi Germany and made a lot of money in the process.)[23]

As for money matters, Wikipedia echoes a widely held belief when it suggests that the agreement involved the “eradication” of debts France had incurred earlier, e.g. under the terms of the Lend-Lease deal signed in Algiers. However, upon closer scrutiny, it turns out that Wikipedia merely writes that the agreement “aimed to [italics added] eradicate” those debts but never mentions if that aim was ever achieved.[24] According to Lacroix-Riz, it was not; she calls the “wiping out” (effacement) of France’s debt to the US “imaginary” and emphasizes that the notion that fabulous new credits were being planned amounted to wishful thinking; her categorical conclusion is that other than loans with onerous strings attached, “the ‘negotiations’ produced no credits whatsoever” (Les négociations ne débouchèrent sur aucun crédit).[25]

It follows that the economic reconstruction of France in the years following the end of World War II, so rapid in comparison with the country’s industrial comeback after 1918, was not due to the generosity of an outsider, Uncle Sam. Instead, it was mostly the result of the “Stakhanovite” efforts of France’s own workers, aiming to revive the country’s industry in general, in the so-called “Battle of Production” (bataille de la production), particularly successful in the then still crucially important field of production of coal in the nationalized mines. Even though this “battle” was certain to benefit the capitalist owners of factories, it was orchestrated by the Communist Party, a member of the “tripartite” government, because its leaders were keenly aware that “a country’s political independence required its economic independence”, so that reliance on American “aid” would mean subordination of France to the US.[26] (Incidentally, most if not all of the money borrowed from the US was not be invested in France’s reconstruction but in a costly, bloody, and ultimately doomed attempt to hang on to the “jewel in the crown” of her most colonial possessions, Indochina.)

Image: One of the numerous posters created to promote the Marshall Plan in Europe. (From the Public Domain)



That France's postwar economic recovery was not due to US "aid" is only logical because, from the American perspective, the aim of the Blum-Byrnes Agreements or, later, the Marshall Plan, was not at all to forgive debts or help France in any other way to recover from the trauma of war, but to open up the country's markets (as well as those of her colonies) and to integrate it into a postwar Europe — for the time being admittedly only Western Europe — that was to be capitalist, like the US, and controlled by the US from its German bridgehead. With the signing of the Blum-Byrnes Agreements, which also included a French acceptance of the fact that there would be no German reparations, that aim was virtually achieved.

The conditions attached to the agreements did indeed include a guarantee by the French negotiators that France would henceforth practice free-trade policy and that there would be no more nationalizations like the ones that, almost immediately after the country's liberation, befell car manufacturer Renault as well as privately owned coal mines and producers of gas and electricity; the conditions also banned any other measures that Uncle Sam perceived to be anticapitalist, regardless of the wishes and intentions of the French people, known at the time to have an appetite for radical social-economic as well as political reforms.[27]

How did Blum and his team manage to cover up their "capitulation" and present it to the French public as a victory, "a felicitous event" (un évènement heureux), for their country?[28] And why did they lie so blatantly about the results and the conditions? These two questions are also answered by Lacroix-Riz in her new book.

First, the information dispensed about the Blum-Byrnes Agreements by the French side, and eagerly echoed by most of the media, except for communist publications, included all sorts of exaggerations, understatements, omissions, even outright lies, in other words, amounted to what is now commonly known as "spin". The financial wizards and other "experts" among the high-ranking civil servants on Blum's team proved to be excellent "spinmeister", they

managed to conjure up all sorts of ways to fool the public with electorate”, including obfuscating crucial details of the agreement.[29] The French women and men were reassured in vague and euphemistic language that their country was to benefit regally from the generosity of Uncle Sam. There were references to many millions of dollars of future credits, with no strings attached, but it was not mentioned that the flow of dollars was not guaranteed at all and could in fact not realistically be expected to be forthcoming; German reparations in the form of deliveries of coal, for example, were similarly hinted at in vague terms, even though the negotiators knew that to reflect nothing but wishful thinking.[30]

About the many rigorous conditions attached to the deal, on the other hand, the French public heard nothing, so it had no idea that their once great and powerful country was being demoted to the status of a vassal of Uncle Sam. The text submitted for ratification — in its entirety, or not at all![31] — to the National Assembly was long, vague, and convoluted, drawn up in such a way as to befuddle non-experts, and much important information was buried in notes, appendixes, and secret annexes; reading it, nobody would have realized that all of the tough conditions imposed by the Americans had been accepted, conditions going back all the way to the deal concluded with Darlan in November 1942.[32]

Since Blum and his colleagues knew from the start that they would have no choice but to accept an American Diktat in its entirety, their transatlantic sojourn could have been a short one, but it was stretched over many weeks to create the appearance of thorough and tough negotiations. The negotiations also featured plenty of “smoke and mirrors”, including visits (and attendant photo-ops) with Truman; interviews producing articles lionizing Blum as “a figurehead of the French Resistance” and “one of the most powerful personalities of the moment”; and a side trip by Blum to Canada, photogenic but totally useless except in terms of public relations.[33]

Lacroix-Riz’s conclusion is merciless. Blum, she writes, was guilty of “maximum dishonesty”, he was responsible for a “gigantic deception”. [34] However, the charade worked wonderfully, as it benefited from the cooperation by the Americans, who cynically pretended to have been coaxed into making major concessions by experienced and brilliant Gallic interlocutors. They did so because elections were coming up in France and a truthful report of the outcome of the negotiations would certainly have provided grist for the mill of the communists and might have jeopardized ratification of the deal.[35]

Lacroix-Riz also points out that historians in France, the US, and the rest of the Western world, with the exception of America’s own “revisionists” such as Kolko, have similarly distorted the history of the Blum-Byrnes Agreement and glorified it as a wonderfully useful instrument for the postwar reconstruction of France and the modernization of its economy. She describes how this was mainly due to the fact that French historiography itself was “atlanticized”, that is Americanized, with the financial support of the CIA and its supposedly private handmaids, including the Ford Foundation.[36]

The British had not been able to reject the rigorous conditions attached to the Lend-Lease arrangement of 1941, but that was during the war, when they fought for survival and had no choice but to accept. In 1946, France could not invoke that excuse. So, what motivated Blum, Monnet, and their colleagues to “capitulate” and accept all American conditions? Lacroix-Riz provides a persuasive answer: because they shared Uncle Sam’s paramount concern about France, namely, an eagerness to preserve the country’s capitalist social-economic status quo, in a postwar situation when the French population was still very much in a reformist if not revolutionary mood, with the communists extremely popular and

influential. “Nothing else she emphasizes, “can explain the systematic acceptance of the draconian [American] conditions”.[37]

The concern to preserve the established social-economic order is understandable in the case of Bloch’s conservative colleagues, representatives of the MRP faction in the tripartite government, the “Gaullist” MRP, which included many recycled Pétainists. It is likewise understandable in the case of the high-ranking diplomats and other civil servants in Blum’s team. These bureaucrats were traditionally defenders of the established order and many if not most of them had been happy to serve Pétain; but after Stalingrad, at the latest, they had switched their allegiance to Uncle Sam and thus become “European heralds of American-style free trade” (*héralds européens du libre commerce américain*)” and, more in general, very pro-American “Atlanticists”, a breed of which Jean Monnet emerged as the example par excellence.[38]

The Communist Party was a member of the tripartite government but, writes Lacroix-Riz, “were systematically excluded from its “decision-making structures”[39] and had no representatives on the team of negotiators, but the Left was represented by socialists, including Blum. Why did they not put up any meaningful resistance to the Americans’ demands? In the wake of the Russian Revolution, European socialism had experienced a “great schism”, with the revolutionary socialists, friends of the Soviet Union, soon to become known as communists, on one side, and the reformist or “evolutionary” socialists (or “social democrats”), antagonistic towards Moscow, on the other. The two occasionally worked together, as in the French Popular Front government of the 1930s, but most of the time their relationship was characterized by competition, conflict, and even outright hostility. At the end of World War II, the communists were definitely in the ascendant, not only because of their preponderant role in the Resistance, but also because of the great prestige enjoyed by the Soviet Union, widely viewed as the vanquisher of Nazi Germany. To keep up with, and hopefully eclipse, the French socialists, like the former Pétainists, also opted to play the American card, and proved willing to accept whatever conditions the latter imposed on them, and on France in general, in return for backing the socialists with their huge financial and other resources. Conversely, in France the Americans needed the socialists – and “non-communist leftists” in general– in their efforts to erode popular support for the communists. It was in this context that Blum and many other socialist leaders had frequently met with US Ambassador Caffery after his arrival in Paris in the fall of 1944.[40]

The socialists thus proved to be even more useful for anti-communist (and anti-Soviet) purposes than the Gaullists, and they offered Uncle Sam yet another considerable advantage: unlike the Gaullists, they did not seek territorial or financial “reparations” from a Germany that the Americans wanted to rebuild and turn into their bridgehead for the economic and even political conquest of Europe.

In postwar France, then, the socialists played the American card, while the Americans played the socialist card. But in other European countries, Uncle Sam likewise used the services of anti-communist socialist (or social-democratic) leaders eager to collaborate with them and in due course these men were to be richly rewarded for their services. The Belgian socialist headman Paul-Henri Spaak comes to mind, who was to be appointed by Washington as secretary general of NATO, presumably an alliance of equal partners but in reality a subsidiary of the Pentagon and a pillar of American supremacy in Europe, which he had helped to establish.[41]

The integration of France into a postwar (Western) Europe dominated by Uncle Sam would

be completed by the country's acceptance of Marshall Plan "aid" in 1948 and its adherence to NATO in 1949. However, it is wrong to believe that these two highly publicized events occurred in response to the outbreak of the Cold War, conventionally blamed on the Soviet Union, after the end of World War II. In reality, the Americans had been keen to extend their economic and political reach across the Atlantic and France had been in their crosshairs at least since their troops had landed in North Africa in the fall of 1942. They took advantage of the weakness of postwar France to offer "aid" with conditions that, like those of Lend-Lease to Britain, were certain to turn the recipient country into a junior partner of the US. This became a reality, as Lacroix-Riz demonstrates in her book, not when France subscribed to the Marshall Plan, but when her representatives signed the agreements that resulted from the unheralded Blum-Byrnes Negotiations. It was then, in the spring of 1946, that France, unbeknownst to the majority of its citizens, waved adieu to her status of great power and joined the ranks of the European vassals of Uncle Sam.

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Notes

[1] Eisenberg, p. 322.

[2] See e.g. the article by Kierkegaard.

[3] See Pauwels (2016), pp. 447-49.

[4] "Economies of scale".

[5] See Pauwels (2017), pp. 144-54.

[6] Pauwels (2017), p. 168. The total value of American investments in Nazi Germany, involving no less than 553 corporations, rose to \$450 million by the time of Hitler's declaration of war against the United States in December 1941.

[7] Pauwels (2017), pp. 63-65.

[8] Quotation from Ambrose, p. 66.

[9] Lacroix-Riz, p. 13.

[10] Zinn, p. 404: "Quietly behind the headlines in battles and bombings, American diplomats and businessmen worked hard to make sure that when the war ended, American economic power would be second to none in the world . . . The Open Door policy of equal access would be extended from Asia to Europe".

[11] Lacroix-Riz, pp. 116-17.

[12] Lacroix-Riz, p. 9.

[13] For details, see Pauwels (2017), pp. 199-217.

[14] Lacroix-Riz refers to Bruce Kuklick's pioneering work focusing on this theme. For more on the importance of postwar Germany to the US, see Pauwels (2015), p. 249 ff.

[15] Lacroix-Riz, p. 198.

[16] Lacroix-Riz, pp. 203, 206-208.

[17] Lacroix-Riz, pp. 170-72, 174-83.

[18] Lacroix-Riz, p. 409.

[19] Lacroix-Riz, p. 331.

[20] Kolko, p. 235.

[21] Lacroix-Riz, pp. 413-14.

[22] “Blum-Byrnes agreement”.

[23] Lacroix-Riz, p. 326 ff. Lacroix-Riz has examined the case of Ford France’s wartime collaboration in an earlier book on French industrialists and bankers during the German occupation.

[24] “Blum-Byrnes agreement”.

[25] Lacroix-Riz, pp. 336-37, 342-43.

[26] Lacroix-Riz, pp. 199-202. The “Battle of Production” is a subject Lacroix-Riz focused on in her 1981 doctoral dissertation as well as other writings. On the benefits of historical nationalizations in France, see also the article by Paul Cohen.

[27] Lacroix-Riz, pp. 277, 329-30, 363.

[28] Lacroix-Riz, p. 338.

[29] Lacroix-Riz, p., pp. 416-17.

[30] Lacroix-Riz, pp. 342-43, 345-46

[31] Lacroix-Riz, p. 408: “L’Assemblée nationale devrait donc adopter en bloc tout ce qui figurait dans la plus grosse pièce du millefeuille officiel des accords Blum-Byrnes”.

[32] Lacroix-Riz, pp. 334-37, 354-55.

[33] Lacroix-Riz, pp. 323-26.

[34] Lacroix-Riz, pp. 271, 340.

[35] Lacroix-Riz, pp. 342-43, 345-46

[36] Lacroix-Riz, p. 376 ff.

[37] Lacroix-Riz, pp. 114-15, 122, 386, 415.

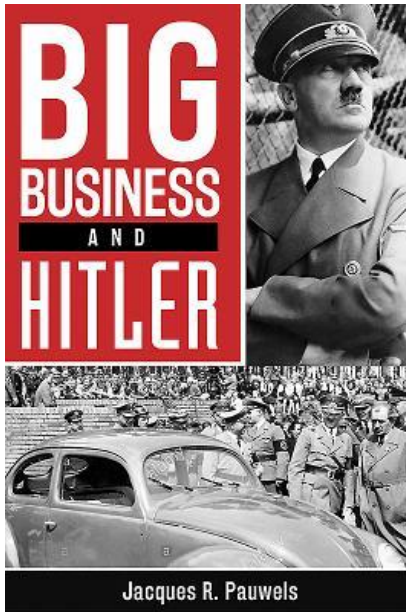
[38] Lacroix-Riz, p. 273.

[39] Lacroix-Riz, p. 418.

[40] Lacroix-Riz, pp. 170-72, 174-83.

[41] Lacroix-Riz, p. 57-58, 417.

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Big Business and Hitler

Author: Jacques R. Pauwels

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For big business in Germany and around the world, Hitler and his National Socialist party were good news. Business was bad in the 1930s, and for multinational corporations Germany was a bright spot in a world suffering from the Great Depression. As Jacques R. Pauwels explains in this book, corporations were delighted with the profits that came from re-arming Germany, and then supplying both sides of the Second World War.

Recent historical research in Germany has laid bare the links between Hitler's regime and big German firms. Scholars have now also documented the role of American firms — General Motors, IBM, Standard Oil, Ford, and many others — whose German subsidiaries eagerly sold equipment, weapons, and fuel needed for the German war machine. A key roadblock to America's late entry into the Second World War was behind-the-scenes pressure from US corporations seeking to protect their profitable business selling to both sides.

Basing his work on the recent findings of scholars in many European countries and the US, Pauwels explains how Hitler gained and held the support of powerful business interests who found the well-liked oneparty fascist government, ready and willing to protect the property and profits of big business. He documents the role of the many multinationals in business today who supported Hitler and gained from the Nazi government's horrendous measures.

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