

FRANCO-AMERICAN RELATIONS IN THE POST
COLD WAR PERIOD

A Dissertation submitted in partial fulfillment for the Degree of

MASTER OF PHILOSOPHY

OF

JAWAHARLAL NEHRU UNIVERSITY

By

RASHIMA VAID

CENTRE FOR AMERICAN AND WEST EUROPEAN
STUDIES

SCHOOL OF INTERNATIONAL STUDIES

JAWAHARLAL NEHRU UNIVERSITY

NEW DELHI - 110 067

1999



CENTRE FOR AMERICAN & WEST EUROPEAN STUDIES
SCHOOL OF INTERNATIONAL STUDIES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI-110067

CERTIFICATE

This is to certify that this dissertation entitled "Franco-American Security Relations in the Post Cold War Period" submitted by Ms. Rashima Vaid, in partial fulfillment of the requirements for the award of the Degree of Master of Philosophy of Jawaharlal Nehru University, New Delhi is her original work. To the best of our knowledge, this dissertation has not been previously submitted for award of any other degree of this University or any other University.

Her work may be submitted for evaluation.

A handwritten signature in black ink, appearing to read 'B. Vivekanandan', is written over a horizontal line.

Prof. **B. Vivekanandan**
Chairperson
Centre for American and
West European Studies
School Of International Studies
Jawaharlal Nehru university
New Delhi - 110 067

A handwritten signature in black ink, appearing to read 'Christopher Sam Raj', is written over a horizontal line.

Prof. **Christopher Sam Raj**
Supervisor

CONTENTS

	Pages
Preface	i-vi
Introduction	1-10
Chapter I : Franco – American Perception of European Security	11-40
Chapter II: The Changing Dynamics of Franco-American Economic Relationship	41-69
Chapter III : Franco-American Cultural Conflict	70-103
Conclusion	104-110
Bibliography	111-116

PREFACE

France and America came together as allies due to the compulsions of the Second World War. America played an important role in the liberation of France. At the end of the war France reviewed its rather complex relationship with America. France had to accept the fact that America had become the superpower and the center of power had for the first time moved away from the European continent. However, France still did not give up the hope of playing a significant role in the world politics.

France was aware of the enormous American military and economic power status and realised that it would have to depend on America for its security needs. Thus when North Atlantic Treaty Organisation (NATO) was initiated by America, the French joined hoping it would give them greater European co-operation safeguarding European interests vis-a vis the America. However the French were soon disillusioned with the NATO when they saw that they were being discriminated against by the Americans who preferred to share the nuclear secrets with Britain. This was one of the main reasons that led to the French withdrawal from the NATO integrated military command in 1966. The French also played an important role in the European integration movement since it saw it as a means to facing the challenge of American dominance.

The end of the Cold War marked by the disbanding of the Warsaw pact and the unification of Germany raised the question of the relevance

of the role of NATO. France saw it as an opportunity to take from the United States the leadership of the European defence. France became the propagator of the European Defence Identity(EDI) as well as that of the Western European Union. These French actions were not appreciated by the Americans who saw them as French efforts to reduce their role in Europe. However the Americans fears were allayed when France gave up its efforts to dilute the American role in European defence. The change in the French opinion can be attributed to the lack of positive response to the French proposal by its European partners as well as to the Yugoslavian crisis. The crisis in the Balkans clearly demonstrated to the French that the Europeans were not ready to shoulder the responsibility of their own security. France thus realised the continued importance of the American military presence in Europe.

The American leadership responded positively to the change in the French policy towards NATO which led to the reentry of France in the NATO .

Meanwhile the Franco-American relations on the trade issue were creating tensions between the two. Agricultural subsidies in France, manifested in the European Union's Common Agricultural Policy (CAP) was the most contentious issue that dominated the Uruguay round of General Agreement on Trade and Tariff (GATT) talks. The America insisted that the CAP would have to be reformed since it had helped push the food prices to an artificially low level. France on its part did not

want a drastic change , as Agriculture is a sensitive issue in France. The French insisted that the question of agricultural subsidies should not be treated as a purely economic issue rather it should be considered as a socio-economic issue since it has to do with the preservation of a certain way of life. After much deliberation the CAP was reformed which meant that the farm subsidies would be cut by 20 percent over a six year period.

The Americans accepted this cut, even though they were not satisfied. It is expected that this question will again be raised in the forthcoming World Trade Organisation talks scheduled to be held in Seattle in November 1999.

There is another issue that assumed importance in the Uruguay round of GATT talks and that is the issue of Audio-visual industry. The Americans wanted that the Audio-visual industry should be kept under the preview of the GATT talks and subject to its liberalization policy, a fact that was not acceptable to France. The Americans wanted full access to the European market since its Audio-visual industry is the second highest exporter after the defence industry.

The French are sensitive about their culture and especially their language. The French believed that by protecting its audio-visual industry, France was protecting its cultural heritage. Already France was quite worried about the growing popularity of the American language and the American way of life. The French and the Americans believe that they have a lot to offer to the rest of the world. The French call it civilization and the Americans democracy. Both countries believe that their beliefs

and values are superior more universal and worth exporting or imposing upon the rest of the world.

It is mainly these three issues that have dominated the relations between France and America and continues to do so even today. The study aims to understand the various aspects of the Franco – American Relations. The post Second World War clearly showed the development of three aspects relative to their mutual relationship. The security relations especially in the context of NATO was one such aspect. The American economic aid to European reconstruction brought forth the aspect of economic issues between the two. There was further the growth of another issue which is assuming greater importance by the day and that is pertaining to the culture of the two nations.

These three aspects have been discussed in three main chapters. After the Introduction the first chapter discusses the security options available to the French after the World War II. It shows how the French were not ready to link their security options to the Americans and they tried to woo the Soviets. However, the French soon realised that it could not stay neutral for a longtime and that it would have to align itself with one of the superpower. Thus, France institutionalized its alliance with America, when it became a member of the North Atlantic Treaty Organisation (NATO) in 1949.

A brief study of their relations until the end of the cold war has been undertaken. There is also a special reference to the withdrawal of the French forces from NATO. After a brief study of their security relationship during the 70's and the 80's the focus has been shifted to

the change in their relationship within the alliance as a result of the changed situation in the post cold war era. An attempt will be made to study the change in the French and subsequently the American position towards NATO in the aftermath of the Yugoslavian crisis. A brief study of the debacle in the Balkans has been undertaken to better understand the effect of this crisis on the American and the French foreign policy.

The second chapter starts with the study of the effect of the Marshall Plan on the French economy. It is followed by the study of the monetary relations between the two uptill the 80's. The issue of burden sharing and the balance of payment problem of the Americans has also been discussed. The farm policy of the French and the Americans was studied to understand the conflict between the two on the question of farm subsidies. This topic dominated the Uruguay round of the GATT talks. The chapter concludes with the projection of the future trend of this dispute.

The third chapter also involves the GATT talks since it involves the cultural conflict between the two as regards the audio- visual industry of France and America. It starts with a study of the cultural past of both France and America and covers the dispute regarding the growing corruption of the French language by the English and the fascination of the French youth of the American way of life. In the end the Anti-Americanism as a movement in France has been discussed.

The conclusion covers the future trends of the relations between France and America especially in these three areas.

Since the topic covers the major foreign policy aspects of two very important countries France and America thus a large amount of secondary source material was available. There have not been many studies undertaken as regards the cultural conflict between the two countries which can be contributed to the lack of easily available material on the topic.

The cultural studies of France that the I had undertaken as a part of my masters in French inspired this topic of study. At this point I would like to express deep gratitude to my supervisor DR.CHRISTOPHER SAMRAJ who not only helped give shape to this idea but also has been a constant source of encouragement and support. Deserving special mention is my husband ASHISH without whom this work would not have been possible and to whom I dedicate this work. I would also like to mention the contribution of my both sets of family for their support . My thanks are also due to the entire staff of RAMS who helped me in their own ways.

New Delhi, 21 July 1999.

Rashima V. Varma
(RASHIMA VAID)

INTRODUCTION

Introduction

The Franco - American relation contrast between history of friendship and irritability which occasionally surfaces from one side or the other on different subjects. The relations between France and America are extremely complex and defy definition. There have been various explanations to define their relationship. It has been said that their various arguments are similar to those of lovers fight (France and the Americans love each other so much that even the smallest incident is seen as treachery). Another explanation seems to be that there is mutual rivalry between universal ideologies(both France and America insist that their beliefs have value for the whole world).

The earliest relations between France and America takes us back to the colonial past of America. Although France had occupied certain portions of colonial America, it seemed that French were not really interested in

consolidating their holdings as they sent few colonist to the New World. As a result the British expelled them out of America. All through its colonial existence America regarded France as an enemy . This opinion of the French changed as a result of the French help in the American War of Independence.

The strongest link between the United States and France is their joint possession of free institutions of the Christian civilization of the west. To the tradition of freedom in the west both France and America have contributed, in idea and in experience. It was this dedication to freedom that prompted the French help to the American war of Independence in 1779. The French decided to help the American against the British and to this end the Treaty of Commerce and Friendship was concluded. The treaty marked the beginning of the Franco-American friendship, although the treaty was signed not just for friendly reason. British had humiliated the French in the seven-year's War and hence France welcomed the opportunity to humble the British.

Thus around 4400 French troops served in the American war of Independence. The French troops fought under the command of Washington in the decisive battle of Yorktown which brought about the surrender of the British forces led by lord Cornwallis on October 19, 1781. Lafayette was a French soldier who played an important role in the American Revolution.

Not only did the French influence the course of the American revolution but at the same time the American war of Independence provoked and inspired the French Revolution. The ideas of liberty which were propagated during the American revolution found its way back to France also. The period was perhaps the most glorious in the history of Franco-American relations. There were various exchange of friendship between the two. The interests of France and the United States have been paralled or mergent at various times in their history. The French aid during the American Revolution made it possible for the Americans to gain their freedom. But it will do no service to either country to conceal the fact that their relations have also been bad for considerable periods. However to better understand the

take into account the profound difference in the development of the two countries during the past two centuries.

The story of the United States is that of dramatic growth – in terms of power- from the time when it was still only a relatively feeble group of British colonies lying along the western fringe of the Atlantic to the position of unique power which it assumed after World War II.

American policy during the period since independence divides rather naturally into three parts. During the long initial period, when America was relatively weak, took advantage of Europe's absorption in her own quarrels to pursue a policy of isolation that would enable them to conquer and develop the vast and empty parts of their own continent. Rather abruptly at the end of the nineteenth century and following the participation in the war with Spain, the United States emerged as a nation with world responsibilities, increasingly aware of the dangers that could issue from a Europe dominated by a single power. Finally, World War II initiated a third period. That period revealed a

new set of realities that demonstrated that the conflict had destroyed the old European balance, created a new and essentially extra-European balance with Soviet Russia and the United States as the prime factors, and made necessary the complete reformulation of American policy.

The story of France during these two centuries is no less dramatic, but here the drama is one of decline-again in terms of power. In sharp antithesis to the American colonies of mid-eighteenth century, France was the most powerful and most populous state in Europe. The great Revolution swept aside the social and administrative debris of the Old Regime, and nationalist fervor galvanized Frenchmen in the face of attacks from beyond their borders. Napoleon exploited this new national cohesion to conquer and organize large parts of Europe, but it was back evident that France was living her last great period of independent national power. For, in the industrial race of nineteenth century, Germany and the United States passed France, already bested by Britain. The consequent decline in French military potential was reflected in the tragic events of 1870, when the armies of a rejuvenated Germany swept over the France and inflicted rapid defeat upon her. And in the War of 1914, victory against a still more powerful Germany proved

possible only with extra-Continental aid. Finally, the catastrophe of 1940 left France a power factor primarily in the larger context of the integration of the West to meet the threat of Soviet Russia.

Although both France and America were able to establish close relations as a result of the French help during the American War of Independence and the subsequent American aid in the First World War, it seemed that France had lost its special relationship with America, as America forged a deep relation with Britain .

America had discarded its traditional policy of isolation to participate in the First World War. America after much deliberation entered the World War I as an ally for the French. However with the end of the war America and France again lost the quickly lost the wartime solidarity that they had managed to establish, when divergences crept up between France and America over the question of Germany. While America sought a more sympathetic approach towards Germany. France wanted to crush Germany . However in the end the French view prevailed, against the America wishes. The American felt that they had fought an ideological war but the French at the peace table had betrayed them.

The French used the peace talks as a means of getting even with the Germans.

However despite misunderstanding between the two at government level the interwar period was marked by an increase in American tourists to France. The Second World War again brought the two countries in close contact. However the old friendship of the First World War could not be revived during the Second World War and played a significant role in its liberation. The main reason was that after the French occupation, De Gaulle established French government-in-exile in London. The Americans did not consider De Gaulle to be representative of the French government and thus it refused to have anything to do with it. De Gaulle on his part could never forget the American reservations towards the resistance movement organised by him.

The end of the Second World War not only meant the end of the war but it also signified the end of an era. The end of the Second World War saw the emergence of two superpowers. United States and USSR, while France was reduced to a medium power state. It also became evident to the French that they were dependent on the American

support for their security needs and their economic reconstruction.

Over the centuries French civilization has been more completely at the center of the development of the West than that of any other single society. There were long periods—such as the age of Louis XIV—when this predominance was not only clear but also universally accepted. There have been other periods, such as the late nineteenth century, when the total impact of France has been somewhat less and when many of her ideas have taken effective form only beyond her borders; but even in these periods the sum of her intellectual influence has been very great.

The special position of Paris is an index of the magnitude of this influence. It has long been the intellectual capital of the world, and one of the surest indications of this is the variety and importance of the work, which has been accomplished there by intellectuals from other countries.

France and United States also have long had an important community of economic interest. But their economic cooperation does not have a long history. Ever since the Great Depression it became evident that the

American economy had a greater influence on the world economy. The Great Depression also raised serious doubts in the French minds over the capacity of the Americans to manage their economy successfully and it is one of the important reasons for the French opposition to the American economic solutions. However one thing is clear and that is that both France and America a desire to see each others economically healthy since a strong American economy is related to a strong European economy, and because an economically healthy Europe involves a stable France. On purely economic level, the United States could do without France however that would have meant an important sacrifice of freedom which was not acceptable to the Americans. The evident American interest in the French economy was evident in the principles of the Marshall Plan .

There is a traditional view of Franco-American relations which became general during the War of 1914. It is the gospel of many America expatriates in Paris that Franco-American relations as those of almost uniform friendship during the past two centuries, and is based on the two central facts that French intervention in the American Revolution made the American victory possible and that the American intervention in 1917 tipped the scales for the

French. It overlooks the fact that the relations of the two countries have ranged from indifferent to bad during most of the remainder period. Skeptics also point out that intervention in these two instances reflected self-interest. The important fact is that the interests of the two countries have at various times run parallel to each other.

CHAPTER I

FRANCO – AMERICAN PERCEPTION OF EUROPEAN SECURITY

Franco American Relations at the end of the Second World War and the formation of NATO

Historically France is America's oldest ally, having made a memorable contribution to its freedom. It was France's alliance with the Americans in 1779 and its intervention in the war of Independence that turned the tide against the British. France had hoped that its contribution to the American independence would translate into a special relationship between the two. It was not able to do this and has never understood its failure. As one political columnist Phillipe de Saint-Robert said:

"Although the Americans have waged war twice against Germany and never against France they always have a tendency to rely on Germany rather than France. The Americans feel English at heart and German when they consult their reason or self-interest. They have rarely felt close to the French, unmoved by the fact that the French have hearts like little milliners that will melt at the smallest mark of esteem."¹

Since then a very peculiar love-hate relationship has characterized French attitude towards and dealings with United States (U.S.) based on both misunderstanding and conflicting interests. It has varied in different periods and among the various groups of French society. The bond

¹Amrit Bazar Patrika(Calcutta),7Februry 1978.

between U.S and France was strongest during and immediately after the Second World War, though even then there were some problems. It was primarily due to American support that France could be freed from German occupation. Although it gained freedom but at the same time it meant the loss of power and prestige for the French. France, which had been a world power before the Second World War did not take easily to the fact that it had been reduced to the status of a medium power while America had overtaken it as a Superpower. This fact has been the cause of friction between the two especially on security matters.

At the end of the War , the allies of the Second World War gave institutional expression to their alliance in the form of North Atlantic Treaty Organization(NATO) , which united the United States and Canada on this side and most of the nations of Western Europe in a mutual defense pact. It reflected a recognition that the victorious nations of the Western Europe had been exhausted by the War and needed American participation to guarantee peace in the post war years. France was initially reluctant to join the NATO , even though it was scared of Soviet expansion towards Western Europe. Finally the Korean War and coup d'etat in Czechoslovakia finally convinced France of the Soviet danger and France joined hands with the United States in an alliance to deter the potential Soviet aggression in Western Europe.

NATO Treaty consists of fourteen articles and three pages of text. It was a combination of permanent executive bodies constituted under

Article Nine of the Treaty . The treaty constituted the US commitment during peacetime to defend Europe in any future threat an aggression by the Soviet Union or its allies. Article 5 of the NATO treaty had automatic clause of any aggression against any one of the Treaty members was to be consideed aggression against all, was a major post war objective of the United States. The alliance, as formalized in NATO , eventually rested on three elements: joint, integrated armed forces; nuclear arms and a commitment to use them; United States leadership , which reflects the disparity in terms of superior economic and military power and global reach between United States and its West European allies². This domination of one country of a coalition in some of the World's oldest and proudest nations were bound to create problems.

Franco-American Security Relationship During the 50's and the 60's

In the early post war years , most of the nations were too busy rebuilding and modernizing with the help of America. Still the issue of the American superiority and dominance already by 1951, enraged de Gaulle, who was denouncing NATO as an insult to national sovereignty.

² Girija K. Mookerjee, "France and the World" (Bombay, 1971), pp. 19-20.

3. David S. Landes, " Introduction," in David S. Landes, ed., "Western Europe: The Trials of Partnership (Toronto, 1977), p.3.

France was not happy with the situation that existed within NATO during the early years. It received a very small share of NATO commands and unlike the British it had no part in the atomic technology and weaponry. These discriminatory American actions were producing inferiority complex and non-relevance of France. Thus the French could not help but infer from NATO a sense not only of American domination but also of American favoritism of British at their expense³. However , these potential discontents could not be openly indicated as France needed American support. The French realized that they were incapable of handling their country's security and also economic reconstruction and were dependent on the United States for the same. Such dependence was not to the liking of France. To balance and to restore French influence and greatness the French leadership adopted a policy of Nuclear independence⁴. De Gaulle while explaining the need for French nuclear deterrent force outlined that the French influence would be better felt with nuclear arms. In addition he felt that France must have its own nuclear deterrent force in order to be both independent of the U.S. and capable of dissuading a potential aggressor since the American guaranty , necessary as it was , was not foolproof.

Franco American relations were strained on the issue of European Defence Community (EDC) which America supported as a basis for

⁴ David Calleo, "The Atlantic Fantasy : The US, NATO and European" (Baltimore,1970), pp.24-35.

promoting European collaboration and West Europe undertaking responsibility of European Security. France was averse to the American suggestion that there should be equal position for German forces in the EDC. Hence, the EDC venture collapsed. The Franco American relations deteriorated much more during the Suez crisis. The American neutral stand and support for the nationalisation of Suez Canal and Egyptian President Gamal Nasser's actions were perceived by France to be undermining the French interests and an anti-French stand by the US⁵.

In the early days the Algerian question was to prove to be a constant source of tension between France and America. Even though Algeria was within the perimeter covered by the treaty, yet successive French governments continued to maintain that Algeria was an internal affair and strongly opposed any interference by the Americans.

By the early 1960's certain differences seem to be appearing within the Atlantic Alliance particularly between France and America. Among the great prewar powers France after Germany, had suffered the greatest loss of status and prestige from the war. In addition the postwar Atlantic Alliance offered France the least chance to recoup. By 1962, de Gaulle was firmly installed in power. The American refusal to accept de Gaulle as the leader of the French government in exile during the Second World

⁵ David S. Landes, no.2, pp.4-10.

War had prejudiced de Gaulle against the Americans. De Gaulle wanted to destroy the hegemony of the superpowers and make room for France to play a role worthy of its greatness. In order to undermine the "Anglo-Saxons " domination of the NATO he tried to woo Germany (Franco-German treaty of January 1963). He also offered the Soviet Union his vision of Europe *de l'Atlantique a l'Oura*⁶, in which France and Russia would join hands in domesticating Germany. On the NATO front , de Gaulle had moved away from the mainstream. France was particularly displeased of the fact that it had been denied nuclear partnership within the alliance. It noted that there was only 1 top commander for the French as against 7 for Americans and 5 for British⁷.

The French efforts to woo Germans and the Soviets did not produce the desired results. The Soviets were initially pleased to welcome this trouble-fete into their midst but were not ready to bet their security on Franco-Russian entente. They realized that if France's long standing allies could not count on its loyalty, how could the Soviet Union? Same was the case with the Germans. They were delighted to be accepted by their traditional enemies as an ally in good standing, but were perfectly aware of France's deep rooted reservations, its insistence in precedence and Military superiority and the conditional character of its friendship. When all these moves directed against the American leadership did not

⁶ New York Times, 6 September 1960.

succeed, France pulled out its forces from NATO in 1966. The Americans were first surprised , then shocked , then disenchanted and finally for the first time in memory started to look upon French as adversaries.

French Withdrawal from NATO

France's withdrawal from NATO was the most spectacular initiative even though it can be argued that it was easy for France to renounce American protection while continuing to enjoy, given its geopolitical insulation. Even though de Gaulle insisted that Europe would need American alliance as an insurance against Soviet aggression for any foreseeable future , it also maintained that American and West European interests were distinct and that the American hegemony of NATO was not designed to safeguard those distinct European interests.

The experiences of the Second World War had a deep impact on the French people and the morale of their armed forces. During the war years and the subsequent colonial conflicts , French military faced more defeats than victories and this gave rise to a sense of national humiliation. The objective of the French foreign policy in the post war years was recovery and independence. Independence in foreign and other policies could not be conceived without the capability of an effective defence potential and it provided an important argument to the pro bomb

⁷ibid, pp. 60-62.

advocates. The fact that Britain also possessed nuclear weapons became a further argument.

De Gaulle stressing the importance of nuclear force for France , said on October 9,1959⁸, “without her own nuclear force France would no longer be a European power , a sovereign nation but simply an integrated satellite.”

French dependence on protection by a foreign power was totally unacceptable to the French national pride. Thus, in pursuing its own independent nuclear policy , the seeds for the the French withdrawal were sown. De Gaulle was displeased over the question of the control of the nuclear arms. He was not happy within NATO especially due to the unequal relation among the NATO members.

In order to appease De Gaulle President Kennedy expressed his willingness to examine any suggestions that would satisfy France's need for nuclear weapons but at the same time Kennedy was anxious to avoid establishing a precedent that might lead to the proliferation of atomic weapons. To this end America was ready to give France the necessary means in exchange for a promise that she would not engage in nuclear

⁸ New York Times, 10 October, 1960.

testing. De Gaulle turned down this offer and went ahead with the development of its nuclear deterrent force⁹.

Although De Gaulle had been dissatisfied within the NATO and had decided to withdraw France from NATO, the withdrawal process was gradual. In 1964 the discussions were on for the establishment of a NATO Multilateral force. General De Gaulle was opposed to the idea since it meant that most of the American nuclear weapons would now belong to the Multilateral Force and this Force would be under the direct control of the President of the United States. The United States was not prepared to take French criticism and demand for sharing of nuclear weapon control. While the Americans were involved in its plans for the constitution of a multilateral force, De Gaulle was gradually reducing France's commitments to NATO.

On June 21, 1963, the French naval forces assigned to NATO were withdrawn. Then further on April 27, 1964, French officers were recalled from the inter allied general staff. De Gaulle justified that it did not seem appropriate for these soldiers to shoulder responsibilities for organizations upon which French units were no longer dependent. Finally in May 1965 France informed her partners that she would no longer take part in NATO's "Fallex" strategic maneuvers which in

⁹ W.W. Kulski, "De Gaulle and the World: The Foreign Policy of the Fifth French Republic" (New York, 1966), pp. 94-100.

principle meant that the French withdrawal from the NATO integrated force was complete. However France did not give up its membership of NATO. This implied that France continued to enjoy NATO's security guaranty while maintaining the independence to involved itself to whatever degree it wanted.

The Security Relations Between France and America in The 70's and the 80's

The French withdrawal from the NATO military command in 1966 was instrumental in revealing the fissures that were inherent in the alliance from its inception. Although the Johnson administration had accepted the French withdrawal from the NATO in good grace because the European experts in US knew that this was inevitable, at the same time it is true that the French withdrawal had a negative effect on their relation. The Americans felt that the French had not shown gratitude towards America for having been helped out of the most disastrous defeat she had known in history. The French did not subscribe to this viewpoint. The French believed that , France should have the independence of action as regards its security matters. In addition, as de Gaulle said that the French withdrawal from NATO did not mean that France had left the alliance¹⁰.

¹⁰ Girija K. Mookerjee, no. 2, pp. 100-101.

By the 1970's it was becoming clear that United States would hesitate to risk North American cities to repulse a Soviet conventional probe of the Western Europe. It seemed that to the Americans, Europe was an early warning of Soviet intentions but to the Europeans, of course it was all there was¹¹.

While the Franco-American relationship was at an all time low, United States was trying to set its house in order. It decided to withdraw from South East Asia and build bridges with its adversaries. First came the rapprochement with China. It also reinforced détente with Soviet Union. The Strategic Arms Limitation Talks (SALT), the proposals for Mutual Force Reduction (MFR) and the declaration of the "Prevention of Nuclear War¹² signed by President Nixon and General Secretary Brezhnev in July 1973 were steps in this direction.

These efforts of détente were not to the French liking. They saw these changes as another example of superpower domination; of negotiations concluded over their heads; of deals that would surely affect them without their opinion being considered. The French feared that the relaxation of tensions between the two superpower might be followed by complete or partial withdrawal of United States troops. French did not

¹¹ Earl C. Ravenal, "Alliance Dissolution and American Disengagement", in James Chance and Earl C Ravenal, eds., "Atlantis lost," (New York, 1976, pp.207-11.

¹² *ibid*, p. 2.2



desired such development as it needed the American guarantee to play the odd man out.

To efface or minimize the sources of disagreement and to reaffirm the American commitment to Europe, Nixon and Kissinger declared 1973 as the "Year of Europe". However the French President Pompidou was still not pleased. The reference by America to the "regional security interests" of the Europeans in juxtaposition to America's vital interests outside of Europe, were particularly offensive to the French.¹³

With the ascent of Giscard d'Estaing to the French Presidency a new relationship developed between France and America. This positive change in their relationship could be brought about only once they accepted each other's positions and did not try to change it. After many attempts by the US to influence or thwart the policy of General De Gaulle and his successors, Mr. Carter decided to accept the fact of France's independent position in Europe and in Atlantic alliance. He even chose to regard it as a positive factor¹⁴.

The 80's especially the period 1979-84 was marked by the issues of deterrence, détente, burden – sharing and "out of area". The United States were insistent during this period that there has to be greater burden sharing of the defence liabilities of the European security by the

¹³ Raymon Aron, "Europe and United States: The Relations Between Europeans and Americans", in David. S. Landes, ed., "Western Europe: The Trials of Partnership", (Toronto, 1977), p.33.

¹⁴ Times (London), 7 January 1978.

In 1985 there emerged, a Soviet leader Mikhail Gorbachev, that Reagan could do business with. Reagan seized opportunity and within six years the Cold War had ended , Germany was reunited, the Warsaw Pact had dissolved and Soviet troops were withdrawing to their own frontier.

Franco -American Security Relations after the Cold War Era: The Debate on NATO and its Relevance

The stunning events of 1989 i.e. the fall of the Berlin Wall leading to the German Unification and the dismantling of the Soviet Union changed overnight the basis of the North Atlantic Treaty Organization. The raison d'être of NATO seemed to have disappeared almost overnight. The change in the scenario was so sudden that it could not be anticipated, therefore the policy makers and observers seemed almost difficult in understanding the implications.

One would have thought that the end of the Cold war would have ended the perennial difference between Paris and Washington. However contrary to the expectations , the collapse of Communism only seemed to have aggravated peevishness on both the sides . The changed scenario presented an opportunity to France to free Europe of the American domination in Security issues. Immediately after the end of the cold war , French leaders had asserted that the European Institution such as the

Europeans themselves. The issue of deterrent force also seem to be gaining importance The buildup of nuclear weapons by the United States was a result of this policy only. At the same time the Americans were also pursuing détente to put an end to the arms race with the Soviet Union

Another area that became important was that of out of area operations. Initially the United States had been most insistent on limiting the geographical scope of the alliance to the territory of North America, Europe and the Atlantic Community America had no intention of underwriting European colonial rule elsewhere in the world. Later America was to regret this since the abandonment of European colonial rule throughout the world left a vacuum of power, which the US feared might be filled by the Soviet Union. Americans effort to involve the Europeans in the "Third World" did not succeed and hence it had to step in to play a more important role.

The steady develop of Soviet military arsenal throughout the 1970's and the 1980's forced America to announce retaliatory measures. Thus President Reagan's Strategic Defense Initiative (SDI)¹⁵ was created. These measures increased tensions and brought forth the fear of "Fortress America", Despite this build up President Reagan maintained contact, in spite of all his rhetoric, with the Soviet leadership.

¹⁵ Michael Howard, " An Unhappy Successful Marriage", *Foreign Affairs* (New York), Vol. 78, No. 3 (May / June 1999), pp. 168-71.

Western European Union (WEU) were now capable of handling the security need of Europe and hence Europe should no longer accept American leadership on this matter.

This view was put forth since the French were of the opinion that a strong American role in European security was necessary only to cope with the overwhelming military threat posed by Soviet conventional and nuclear forces. According to the French perspective with the dismantling of the Soviet Union that threat disappeared.

Thus the French Prime Minister called for European defense to look after the security need of Europe. In autumn 1992, Pierre Bérégovoy, the French Prime Minister said¹⁶

“From now on, with Germany’s Unification the disappearance of the Soviets, a Europe, which has wiped out its divisions is seeking means to organize itself to maintain peace within its border”

If the French Prime Minister had vaguely outlined his view on European Security for his foreign minister, M. Dumas was even more specific. He called upon the European Commission to set up the Common Defense Policy for Europe and named the WEU (Western

¹⁶ Adelphi paper, no. 268 (1994), p. 21.

European Union) as the main organ for implementing the common defense.

The French realized that it was not possible to take over the leadership on European matters from America all alone and that it would have to enlist the support of other European states on this issue. It started by harnessing the German support for its plan for an independent European Defense Identity(EDI). France to win over German cooperation touched the most sensitive aspect of foreign troops in German soil. It even indicated that the French were increasingly convinced that there was a need to reduce French troop presence in German soil.

In October 1990 French President made a statement on German Television . He said¹⁷

“Does a great country like yours need foreign troops on its soil, even if they friendly troops? If it judges this necessary in the framework of European Defense ...a new accord will be needed and we should speak clearly about it...if we want to build this European system, we must not live upon the post war relations of victor and the vanquished ; it is necessary to create new relations between equal , friendly and assorted countries.”

¹⁷ David S. Yost, “France and West European Defence Identity”, *Survival* (London), Vol. 33, no. 4 (July / August 1991), pp. 332-33.

This statement was followed by a declaration that about half of the French troops in Germany were to be withdrawn by 1992. It was felt by many observers that this statement would make it easier for France to seek German cooperation in French plans for recasting the Atlantic Alliance and building a West European defense identity.

Since 1989 France had laid stress on European political and economic union so as to integrate Germany further. The German unification after the fall of the Berlin wall had freshened the memories of the Second World War in the French as well as the German minds. The Germans were also afraid of the direction their country might take and they also wanted to set the French minds to rest therefore they showed their willingness to go along the French initiative on the EDI¹⁸.

Thus when France came up with the proposal for the Franco-German corps, which was to be the nucleus around which the European defense would be built, German chancellor Helmut Kohl gave his unequivocal support. One of the main reasons for the German support to the plan was the deep-rooted fear in the minds of the Germans about themselves. Therefore they wanted to bind themselves as strongly as possible to the European institutions so that they would not perceive any need to have an independent military once the American troops in

¹⁷ David S. Yost, "France and West European Defence Identity", *Survival* (London), Vol. 33, no. 4 (July / August 1991), pp. 332-33.

¹⁸ Steven Philips Kramer, "La question française", *La Politique Etrangere* (Paris), no.4 (1991), pp. 959-63.

Europe were considerably reduced. Although the withdrawal of American troops from Germany was not desired by the French at the same time it presented the French leadership with an opportunity of a more autonomous nature which it had eschewed within NATO¹⁹.

Although Germany shared long term French aspirations for European Community's political union ,its support for Franco-German proposals tended to be rather ambiguous. They were based more on a desire to maintain positive relations with France. Germany at the time of the creation of the Franco-German corps had insisted that Eurocorps be one of the multinational units available to the WEU . This led to the watering down of the significance of the WEU²⁰.

While Germany wanted closer relations with France , it did not want a dilution in the US role and remained committed to maintaining the multinational framework developed during the Cold war. It was left to the Germans to reconcile the building of an EDI with the preservation of a strong NATO. It meant striking a compromise between France and America. Germany was insistent that WEU should not duplicate NATO's command structure and hence should be compatible with NATO.

¹⁹ Anand Menon, "From Independence to Cooperation: France, NATO and European Security", *International Affairs* (Moscow), vol. 71, no. 1(1995), p. 22.

²⁰ Robert J. Art, "Why Western Europe Needs the United States and NATO", *Political Science Quarterly* (New York) vol. 111, no. 1 (1996), pp. 25 – 27.

These French efforts at Europeanization of the European defense were not appreciated by its allies and especially the Americans. France could only muster general support for its concept of EDI from Italy , Spain, Belgium and the other EC countries. However certain countries such as Netherlands and Britain expressed their reservations maintaining that such a proposal could send the wrong signal to the US who would refuse to accept a subversient role and withdraw from Europe.

The US tended to remain most skeptical about the French proposal. The US had always supported the idea of West European political and economic integration and more specifically the idea of a “European pillar” of the NATO , partly because of its interest in increased West European burdensharing. But at the same time it did not want to support any proposal that might undermine NATO’s traditional role regarding security in Europe. In the words of William H. Taft , the US permanent representative to the North Atlantic Council²¹.

“We support a European pillar , but one that does not duplicate the Alliance , one that operates within the Alliance to do Alliance tasks and outside the Alliance only where it wishes to take on new mission... the US public would not understand what was going on if Europeans stopped using NATO or began replacing it with other structures to perform it historic tasks”.

²¹ David S. Yost, no. 14, p.339.

The Americans were suspicious of French, given France's historical past where it had expressed sharp reservation about NATO's integrated military structure. In fact as one American official put it ²² "if it was not for the French we might be able to accept the assurances that a new European security entity would be part of a Transatlantic partnership, but on this issue, we do not trust the French".

In fact France did not make it easy for the Americans to trust them . Although France initiated a rapprochement with its allies in NATO by announcing its decision to take part in NATO's Strategy Review Group (SRG) set up in February 1991 after the July 1990 London Declaration, however each concession to NATO was followed by French assurances that they still had ideas of their own and were by no means ready to return contrite to the good old NATO family and were not willing to accept all the Atlanticist rules and traditions²³.

The tensions between France's professed interest in European defence cooperation and other elements of defence policy, along with its refusal to countenance participation in plans to renew NATO, increasingly irritated France's allies. It led to accusations that France was merely trying to either gain cheap political capital or to drive the

²² Anand Menon, no. 16,p.24.

²³ Paul Cornish, "European security" the end of architecture and the new NATO", *International Affairs*, Vol. 72, no. 4 (1996), pp. 754-57.

Americans out of Europe and offering no meaningful concession in return. As a result its allies, America in particular refused to accept the French proposal and they went ahead with their plans for NATO to the exclusion of France. In May 1991, the Defence Planning Committee (DPC) agreed on the creation of a NATO Rapid Reduction Force (RRF) without consulting France. Paris reacted angrily to the RRF but it was not able to do much about it since its absence from the DPC rendered France powerless to block it. This incident clearly revealed to France that it was no longer possible for it to enjoy a special status while staying away from NATO. National Independence hence came increasingly to smack of national isolation²⁴

Franco-American compromise on this issue could be effected only once the question of the role of Eurocorps and the relation between the WEU and NATO were resolved. Britain managed to prevent the WEU from turning into the defense arm of the European Union, causing the French to lose interest in it and focussing its energies on the Eurocorps as a vehicle to create the EDI. However none of the member states were ready to participate in the Eurocorps unless and until the exact nature of the Eurocorps and its relation with the Alliance were clearly outlined. None wanted to risk undermining NATO and pushing the Americans out.

²⁴ *ibid*, pp. 23-26

Finally in December 1992 a compromise was reached between the Eurocorps and NATO. According to the agreement Eurocorps would be a free – standing military force in peacetime, but in any war or warlike situation when NATO was engaged , NATO would control it .

As a result of these compromises France decided to participate more fully in the Alliances military deliberations in order to effects its decisions and influence its evolution. This decision was a dramatic change in the French policy . Thus this decision meant that France had in effect reentered the Alliance's military structures. This was followed by the announcement by the French Foreign Minister on 5th December 1995 that France would resume full participation in the NATO military committee & in several institutions , while staying out of the nuclear planning committee. This step has been a turn about from its 1966 withdrawal as well as the French stand at the beginning of the post cold war era. This brings us to the reason for such a shift in the French policy

Change in the French Policy Towards NATO and the US in the Aftermath of the Yugoslavian Crisis

There have been various reasons for the change in the French policy towards the US and the NATO. After the initial euphoria , France realised that the ground realities were a lot different from what they had appeared to be. The first years of the so-called post-cold war era demonstrated the inadequacy of the French army to undertake missions during operations in which France wanted to take part. The Gulf War, in particular showed the shortcomings of the conscription system, as well as the lack of capability in areas such as transport of troops or

intelligence. In the face of these evident defect, a number of politicians and analysts called for the overhaul of the defence system.

At the same time the Gulf War clearly revealed that 'Europe did not exist'²⁵ That is to say its common foreign and security policy(CFSP) was a fantasy, since Britain without consulting other member states – showed its support for US. It also showed the benefits of having access to such capabilities, which are essentially US systems in NATO today in various countries. The US performance in the Gulf War gave an impetus to NATO, which it seemed had lost its raison d'être.

The disappointment at the WEU ministerial meeting in late February 1991 also contributed to the French decision to change its attitude towards the NATO. The open objections of the Dutch and the reservations of the other amply proved that the other European Union members were not ready for a common defence .These consideration helped France to understand that it would be premature to push for a near – term establishment of a functioning West European defence entity with a specific political military responsibilities and were to press for inclusion of the defence dimension concept in the EC political union treaty, with WEU aims limited to perhaps a military planning staff.

A change in the French viewpoint could also be attributed to the internal politics in France. The resignation of Chevenement as the Defence Minister at the end of January 1991 signified the departure of

²⁵ Le Monde Dipomatique (Paris), no. 528, March 1998,p.3.

an important politician who was committed to pushing the West European defence identity concept in the near term.

Moreover the most important factor by far that forced France to rethink its policy towards America and NATO was the Bosnian crisis. Europe's failure to do more than contain the conflict in former Yugoslavia clearly demonstrated to France that US and NATO were increasingly necessary not only to maintain Western Europe's collective defence capabilities but also to meet the challenges of the post-cold war crisis that France believed Europe was capable of handling on its own. Sharp decline in military spending and manpower in virtually all NATO countries continued to show that Europeans were not ready to take up the responsibility of their own defence.

Thus Paris began to realize that more engagement with the US and NATO would be required to deal with Europe's security needs and to establish France as an important player on the new security agenda. In fact as Jacques Chirac then leader of *Rassemblement pour la Republique* (RPR) noted in early 1993²⁶.

“With respect to Europe, we are forced to note that the substantial reduction in the American military presence has not stimulated any decisive European process, far from it. Several of our partner's have even begun considerably to reduce their armed forces and are placing themselves more than ever under American protection, incarnated through NATO”.

²⁶ Robert P. Grant, “France's New Relationship with NATO, *Survival*, vol. 38, no. 1 (Spring 1996) p. 66.

If France wants to play a determining role in the creation of a European defence entity, it must take into account this state of mind of its partners, and reconsider to a large degree the form of its relations with NATO. It is clear, in effect, that the necessary rebalancing of relations within the Atlantic Alliance, relying on existing European institutions such as the WEU, can only take place from the inside, not against the wishes of the United States, but in agreement with it.

It is impossible to overestimate the importance of this observation for France's relationship with NATO, given the central nature of European ambitions to France's foreign and security policy. While during the initial post-Cold War period France saw NATO as, at best irrelevant to the development of the EDI and, at worst, as a major obstacle towards it, the French view shifted towards recognizing NATO as a necessary instrument in the building of the EDI.

These developments have also obliged America to clear up contradiction in their views regarding European security. Since the beginning of the Atlantic Alliance in 1949 the US has repeatedly called upon Western Europe to share more of the costs, burdens and responsibilities of collective defence. In many of the transatlantic controversies that have taken place since NATO's founding, the US has complained about Europe's failure to speak with a single voice. Particularly in an era of contradicting US defence budgets and continuing commitments in regions such as the Middle East and the Gulf, the United States has reasons to welcome and encourage West European efforts to build political cohesion and provide more defence

resources. For the most part, this has been the case, despite the worries of some Americans about the prospect of a West European 'bloc' that might encumber joint decision making within the alliance.

The Balkan Question

Yugoslavia's bloody disintegration demonstrated that eternal peace had not arrived in Europe. The end of the threat perception of the Soviet Union did not imply that Europe was secure from conflict.

The break up of Yugoslavia brings to boil nearly 73 years of simmering discontent caused by the action of world leaders who brought about an unnatural communion between diverse ethnic religious and linguistic minorities while redrawing the map of Europe after the end of the Second World War. Internally it was the rising nationalism in the republics and the bickering between the Marxist rulers of Serbia and the Centre right leaders of Slovenia and Croatia that had magnified the cracks in the federation²⁷.

The Americans and the European community countries had refused to recognize the breakaway republics since they feared that the conflict might spread to other countries of Eastern Europe as well. For all the talk of a CFSP. The Germans in contrast to the position adopted by the European community went ahead and recognized Bosnia. This complicated the matter and made it imperative for West Europe to take action.

²⁷ The Tribune (Chandigarh), 28 June 1992

But both America and West Europe were reluctant to participate in this conflict even in peace making capacity since they feared that their involvement might be used to justify action elsewhere in the affairs of a country. The Americans were of the opinion that this crisis in the Balkans was an European affairs to be managed by the Europeans themselves. This crisis was a perfect opportunity for Europe under the French leadership to show that Europe was now capable of handling its own security needs. However in reality, the Europeans looked up to America for leadership. The peacekeeping intervention they did engage in strained their military resources. It also clearly demonstrated that it would be years before the Franco-German corps that had aroused concern in Washington about European loyalty to NATO, could envisage undertaking such operations by itself²⁸.

The Yugoslavian crisis unfortunate as it was helped solidify compromise and understanding reached by 1994. On the positive side the crisis in the Balkan's gave a new direction and a *raison d'être* to NATO. In France it had the most profound effect on its foreign policy . After the Balkan crisis, on one hand France was forced to rethink its policy towards America, at the same time America was also forced to give thought to its policies and aims. The circumstances also made it imperative for America to give thought to its policies and aims. The United States now needed to decide how to address its new priorities, to manage its interests alone or with its European allies. The United States realised that it could not hope to justify increased expenditure in

²⁸ International Herald Tribune (Paris), 26 May, 1992

Western Europe lest devastating war occur. Therefore it encouraged the development of the European arm of its own defense .

To this end it was decided that there would be two chains of political decision-making (a NATO chain and a European chain), but only one set of military that each would utilize. In short , the WEU would rely largely on NATO for military staff work, command structure, logistics and intelligence. In return Western Europe accepted NATO primacy in Europe Security and Defense affairs as a price to be paid to the US to remain engaged in the continent.

France at the beginning of the post cold war era had strongly advocated the downplaying of American role in the European security matter, although even then France had realized the importance of American presence in Europe. It had wanted that Europe under the French leadership should play a more imporyant role in European security matters. France wanted that America should be given the task of keeping a check on the resurgent Russia. To this end France sought the creation of a WEU that would relegate to NATO, a residual role. The Americans too wereinsecure about their own role in Europe as a result of the French efforts.

However, the French calculation misfired. The Yugoslavian crisis clearly demonstrated to France what the European Union could do in foreign policy and defence matters. France made a turnabout from its from its foreign policy at the beginning of the post cold war era and made various efforts to rewamp the NATO so that it could meet the new

security challenges in central Europe. In fact Jan Bielecki, former Prime Minister of Poland remarked:²⁹

“The transatlantic partnership almost disappeared in political languages of a significant number of Western European politicians until they realized how unsuccessful was their policy towards Yugoslavia.”

It succeeded in ultimately pushing the French even closer to NATO, the British closer to the French, the Germans to work harder for CFSP and the Americans to become heavily reengaged in Europe.

With France playing an important role in strengthening NATO, America responded by abandoning its unrelenting opposition to any European autonomy in defence. Clinton encouraged the French to take on more responsibility and offered them more authority in NATO. Encouraged the French showed itself willing to reenter NATO. The indication was given by Mr. Joxe, the French Defence Minister. He said³⁰

“The Franco-NATO accords will have to be revised to take into account the profound geo-strategic mutations that have taken place in Europe and the affirmation (by NATO) of the European identity of defence”.

Thus the developments in Yugoslavia gave an aim to the alliance which seemed to have been lost after the end of the Cold War. This crisis put to an end all thought of return to isolationism on the part of the Americans. It also put to rest the minds of the West Europeans who had feared that the America might be tempted to withdraw from Europe.

²⁹ Robert P. Grant, “ France’s New Relationship with NATO”, *Survival*, vol. 38, no. 1 (spring 1996), p. 33.

³⁰ *Times* (London), 4 December 1991.

With a hesitant start, at the end of the Second World War, (the evident dependence of France on America for its security needs), France has moved in the 1990's to become an important military power in its own right. The security relations between the two seem to face a lot of high's and low's. One of the lowest point in their security relationship has been the French withdrawal from NATO. But the 70's and the 80's brought about American acceptance of the independent French policy in the security matters.

The French policy makers were euphoric at the end of the Cold War as they saw it as an opportunity to take the lead from America in the European security matters. However, the French soon faced up to the persistent European dependence on America for their security needs, especially due to the Yugoslavian crisis.

The 1990's also forced America to make changes in its foreign policy so as to adjust to the changes in the international order. The post cold war era has reflected the reality of a multipolar international order to which America must adapt. The changing American attitudes have been articulated by the foreign policy of the Clinton administration which seeks to engage France and also the European Union as a foreign policy partner of the United States. America has on its part accepted that its hegemonic role within the Atlantic Alliance has ended which needs to be replaced by a more symmetrical relationship between France and America.

CHAPTER II

THE CHANGING DYNAMICS OF FRANCO-AMERICAN ECONOMIC RELATIONSHIP

Marshall Plan and the American Efforts for the reconstruction of Europe

When the World War II came to an end organized society on the continent of Europe consisted largely of the structure and operations of two far --flung military commands, the Allied forces in the west and the Soviet forces in the East and the various local communities. The initial task of Europe following the war was to gather up and bind together the broken threads of economic life and restore national government.

1947 is often portrayed as the year of acute economic crisis in Europe, of which the alarming political events were in some way a reflection and from which Western Europe was saved by the Marshall Plan. With production stagnating, trade collapsing and commodity hoarding widespread, the economy tethered on the brink of disaster. In 1947, two years after the cessation of hostilities, Europe's recovery was in doubt. Paul Hoffman, who was to become the first administrator of the European Recovery Programme or the Marshall Plan as it is more popularly called, remembers that the European economy was in desperate straits even in 1948:

“Fifth columnist were hard at work in France, Italy and Germany. In all these countries the Communists were getting to be perilously strong. They were busy exploiting the hunger and the hopelessness and the lack of jobs among the tens of thousands of people. Broken factories were operating fitfully and often slowed to a halt for lack of raw material and repair parts for equipment.. Farmers raised little more than enough to feed themselves. The Transport system was in too bad a state of disrepair to carry even the slight food surpluses to the under nourished city dwellers.”¹

The American Department of State, thus moved towards the formulation of a policy of active intervention in Western Europe in order to preserve the America’s vital strategic interests there. To this end, the Marshall plan was formulated, which was formulated by the government as a means to assist the countries of Europe for their economic development.

Even though a majority in America had supported the economic aid to Europe, there had been a few voices in the Congress right from the beginning of the alliance that opposed the economic aid given to Western Europe. The passage of the Marshall plan was no easy affair, as the administration was forced to work with such diligence to convince the Congress of the military and economic threats to the security of the United States if the states of Western Europe had ‘ gone communist’. The

¹Alain S. Milward, “The Reconstruction of Western Europe 1945-51” (London, 1984),p.3.

government insisted that the aid was necessary to save Europe and along with it the future of the American society.

The Marshall Plan aid was offered to the whole of Europe but the Soviet Union and its allies refused it from the start by pointing out that it was an instrument of American imperialism and an interference in the domestic affairs of sovereign nations.²

The Marshall Plan was predominantly designed for the political objectives of building a European barrier to further Soviet expansion. The Americans felt that an impoverished disunited Europe would be an easy prey to domestic subversion and foreign intimidation. The Marshall Plan was intended to be the occasion for collaboration among the recipient European nations. The Americans felt that some kind of supranational federalism was required to soften if not eliminate the bitterness of past aggressions especially the Franco-German rivalry in particular had to be laid to rest once and for all if Europe had to survive. Thus America made some coalescence of European forces a precondition of Marshall Plan aid.

America wanted a single market in Europe and the strengthening of the countries of Western Europe. The US was of the opinion that nothing less than economic integration of Europe would be adequate. In

² David S. Landes, "Introduction" in David S. Landes ed., "Western Europe: The Trials of Partnership" (Toronto, 1977), pp. 4-5.

the summer of 1950, the agreement to establish the European Payments Union was signed.

The United States desired integration since it did not want that West Germany, in its desire for reunification move towards USSR. Hence it did its best to encourage all moves to European unification, even at the expense of American economic interests³

France also moved towards European unification but for a totally different reason. During this time there rose in France an opposition to the US economic policies. The threat of American economic penetration was too frequently voiced in France. Already the Marshall Plan had evoked strong response among the French, which regarded it as an American means to dominate Europe. Particularly offensive was the conditional nature of the aid. A high official in the French Ministry of France commented on an intrusive American concern for French productivity, "Does a gentleman tells his mistress what kind of soap to buy with the money he gives her?"⁴ The French did not believe that Marshall Plan was an act of generosity on the part of the Americans. They tended to believe that the goods and money were given to the Europeans to sustain the American economy, which would otherwise have sunk into depression. In fact the communists have also alleged that

³ Field H. Haviland, "United States and Western Community"(Haveford,1957),pp.3-7.

⁴ David S. Landes,no.2,pp.4-5.

the dollar shortage of the European countries to pay for American goods was the main economic *raison d'être* of the Marshall plan⁵. The French were also of the opinion that the economic aid was a means to colonize Europe and to counteract this situation, it was necessary to pool their resources.

Despite the French reservations about the American motive for the aid, it cannot be denied that France could carry on its reconstruction task primarily due to the Marshall plan. The outflow of dollars under the Plan represented 2.1 percent of the American Gross National Product (GNP). In addition the Marshall Plan was by no means the sole source of the American aid to Europe. Of the total aid disbursed by the Americans under the Marshall Plan, France received a total of 20.6 percent of the aid. In fact it was solely due to the Marshall plan that France could continue with task of public investment that is so necessary for economic reconstruction.⁶

The first step in the direction of European integration was the formation of the European Coal and Steel Community (ECSC). It was followed by the signing of the Treaty of Rome in 1956 which led to the formation of the European Economic Community (EEC) and Euratom.

⁵ A. Kirsanov, "The USA and Western Europe", David Srvirsky, tr.by David Skvisky (London, 1957), pp. 44-45.

⁶Alain S. Milward,no.1,pp.92-112.

France who had initially taken the lead in the movement for European integration, began to oppose the supranationality of European integration, especially after the advent of de Gaulle to the Presidency of France. In fact he wanted to organize European solidarity without infringing upon national sovereignty. However the process of European unification once started could not be stopped. It has reached such a point (Common Currency, Common Market, Common Foreign and Security Policy) where it stands out as competition to America itself.

The Realities of the Economic Situation During the 50's and the 60's

Despite the French reservation about the American motive for the Marshall plan aid, it threw itself to the task of reconstruction. After more than a generation of lag-depression, war, occupation to make up, European economy threw itself into growth and productivity with a zeal and intelligence that put its American teacher in the shade. France could ignore the disparity in the security alliance due to the economic benefits of America.

The United States profited by this prosperity, among other things, by the implementation in Europe of American multinational firms. ⁷The

⁷ J.J. Servan-Schreiber, "The American Challenge", tr. by Ronald Steel (London, 1968), p.1.

Western alliance grew stronger as the West European region, changed from convalescent to a major force in the world economy.

By the late 1960's the economic relations between France and American seemed to undergo a change. America no longer felt so much stronger than France or Europe in general to give to Europe the privileges of a double standard in commercial policy. For years Europeans had been allowed to discriminate against American exports, to subsidize their own exports or engage in dumping, to grant special favors to Third World countries essentially former colonies, in return for preferential treatment of European products. The Americans regarded these as a part of reconstruction and besides, Europe was not yet enough of a rival to trouble American producers.

By the late 60's however the Europeans had caught up in technology and business practice. The postwar revival and expansion was just about over and competition with America for Third World markets intensified. European economies seemed less and less a suitable object of American benevolence. America thus felt it was justified in taking steps to improve its economic growth, irrespective of the effect of such a move on the European economy.

Under the gold exchange standard established at Bretton Woods, the US dollar became the reserve currency for most of the world outside the Socialist sphere which allowed the United States to spend abroad

without regard to the balance of payments. Even after the dollar gap disappeared ' from about 1958' the United States continued spending without penalty lending to an overvalued dollar. The American businessmen took advantage of the overvalued dollar to invest heavily in foreign enterprise.

The French were not happy with the situation as they viewed the special status of dollar as the source of American prodigality and advocated the return to the gold standard. The Americans reacted by ending its support in March 1968 to the private market in gold and instead came up with a two-tier system. According to the system gold had an official price (\$ 35 to an ounce) at which the United States would continue to sell gold for dollars at central banks, and a free price for private buyers and sellers. However this did not have the desired effect and the American balance of payment problem worsened.

Thus without consulting its European Partners, America suspended convertibility by August 1971. This had the effect of inviting other countries to revalue upwards against the dollar, which had a detrimental effect on European economies. It also imposed a temporary 10% surcharge to improve its trade balance. In addition America raised objection to the reverse preferences built into the European Economic Community's (EEC) special arrangement with the ex-colonies in the

Third World. Americans also devalued the dollar first in December 1971 and then again in February 1973.

Americans maintained that these measures were undertaken by America to bolster its economy and especially the trade deficits. However the Europeans and more so the French were not happy with the developments. Although they themselves had devalued their currencies on a number of occasion similar action by the Americans were not to their liking, as Benjamin Cohen said, it seemed like

“A bargain come unstuck ... repeatedly the United States emphasized its willingness to sacrifice short-term economic benefits for the longer-term advantages of partnership with a United Europe. Its attitude was that what was good for Europe was also good for the United States”⁸⁷

Since, the French could not complain about the American action they expressed their displeasure in the manner in which the Americans had gone about making these change. France was of the view that the Americans had acted unilaterally and without consideration for others. The French were particularly affected by the devaluation because it made their exports overpriced. More so, the French were unable to understand the devaluation since in Europe the exchange rates tended to be as much a matter of national pride as of economic interest.

⁸ David S. Landes, no.2, p.21.

The French were also annoyed by the American economic policies due to the fact that the American economists tend to think that whatever is good for the United States is also good for the rest of the world. At the same time, the French economists, Jacques Rueff for example would like to believe that their preferred solution is good for France, United States and the rest of the world. But the difference is that any solution which does not have the support of American economists, becomes impossible, simply by the virtue of American dominance. The same however is not true for the French decision. The French are thus irked by the fact that decisions taken in Washington have a deep impact on Paris while the same effect is not felt on Washington of the decisions taken in Paris⁹

The sustained American payments deficit has been a great source of uneasiness and a principal cause of malaise in monetary relations, which had been endemic in recent years. It was seen that there had been a sizeable surplus in the Balance of trade but at the same time, the United States had a conspicuously large outflow for non-trading purposes.

For example in 1966 the American balance on goods and services showed a surplus of \$6.1 billion. The American Balance of payments

⁹ Raymond Aron, "Europe and the United States: The Relations Between Europeans and Americans", in David S Landes ed., "Western Europe: The Trials of Partnership" (Toronto, 1977), pp. 34-37.

measured on a liquidity basis showed a deficit of \$1.4 billion. In that same year, the government ran up \$3.7 billion of military expenditure abroad and earned \$829 million in foreign military sales. The net outflow for military expenditure was thus \$2.9 billion. In the same year \$4.3 billion of private capital flowed out and \$1.8 billion flowed in. Together the exchange losses from official military expenditure and private capital outflow totaled \$4.7 billion, nearly two thirds of the exchange deficit for that year.

It is interesting to note that the American balance of payments in 1966 lost roughly \$1 billion net on the tourist account. Then again the deficit could have been met by importing fewer goods and services or exporting more of what the Americans produce.

America due to its dominating position preferred to count on its allies to absorb huge quantities of dollar without demanding their conversion into gold rather than take potentially painful domestic measures to reduce its balance of payments deficits. When it seemed to the United States that its allies were not in a compelling mood and it could not count on its allies for such a support, the United States resorted to one possibility open to no one else – that is unilaterally changing the rules of the game and obliging everybody else to pay a price for the creation of new rules acceptable to Washington. The measures of August 15, 1971, the two devaluations of 1971 and 1973,

the de facto establishment of a floating rate system amounted to just that.

The American Balance of payment Problem and the Question of Burden Sharing

In addition to the economic aid, at the end of the Second World War, America had also guaranteed European security by providing military aid and the stationing of US troops in Europe. America stated that these security programmes resulted in the outflow of huge amounts of US dollars affecting American balance of payments (BOP). With Europe buying large amounts of goods from America, the BOP issue did not create a problem in the 1950's although even then this question had been raised. It had been decided that each NATO country would take on the financial burden in relation to its Gross Domestic Product (GDP). This meant that the United States would end up being the biggest contributor to the common defence effort. The Americans did not object to the proposal since it had the strongest economy and its European partners were dependent on America for its defence purchases¹⁰.

However repeated BOP in successive years forced the American government to rethinks the situation in Europe. In fact this crisis prompted certain congressmen who had been against such American involvement in the security matter of Europe to call for troop reduction in

¹⁰ Ronald S. Ritchie, "NATO: The Economics of an Alliance"(Toronto,1956),pp.76-78.

Europe. However the United States army had objected to such a move ¹¹. The Americans were of the view that the European NATO members should do more for their own defence; if they are not willing to do so, either the United States has an exaggerated view of defence requirement or an outsized view of defence requirement or an outsized view of its security interests in Europe.

The Europeans realized that certain measures would have to be undertaken if American troops are to be maintained in Europe. In September 1961 an agreement was reached between Germany and America under which it was decided that Germany would make military purchases in the US to offset the level of US military spending in Germany.

In 1966 West Germany Chancellor Ludwig Erhard found it difficult to make military purchases because of German balance of payment problem. Finally after lengthy discussions it was decided that Germany would decide arms purchases on the basis of its requirement which indicated that the German purchases would not completely offset the foreign exchange costs of US troops. For dealing with the rest of BOP issue, the State Department proposed that Germany should make dollar purchases of medium - term US securities. However, certain Congressmen criticized this deal since they believed that buying

¹¹ House of Representatives. Committee on Foreign Affairs, Subcommittee on Europe, Washington DC, "Conference on European Security, 92nd Congress, August 17, 1972 pp. 70-72.

securities meant the Germans were making a profitable investment rather than sharing cost¹².

After 1969, the issue of burden sharing became a matter of branding about statistics. The members of Congress put out various figures to put forth there. In aggregate terms the US spend 7 percent of its (GNP) on defence, while the European NATO countries spend less than 4 percent. Of course the fact is that per capita income in the US is perhaps double the average level in Western Europe suggests a greater US capacity to bear defence burdens.

However the Europeans insist that it evidently shows that the united States has a greater capacity to bear the cost of the military operation. In fact this question has remained a hot topic of debate between France and the United States throughout the period of the Cold War. After the end of the Cold War, when France made genuine efforts to take over from the Americans the responsibility of European security, the Americans did not appreciate these moves as it felt that these efforts were a move on the part of the French leadership to undermine the American leadership in the Atlantic Alliance.

¹² Christopher S. Raj, "American Military in Europe", (New Delhi, 1983) pp. 198-265.

Agricultural Policy of France and America

At the end of the Second World War, without discussion or argument there was one matter on which all national reconstruction plans were in agreement, the maximization of agricultural output. The Second World War had done greater damage to agriculture than the industry. In several countries, the livestock was reduced to about 30 percent. In addition, there was also a large loss of arable land to military activity of all kinds. In France, for example, about 1.4 million hectares of arable land fell out of cultivation during the war.¹³

In France, there were massive manpower losses during the Second World War. Since the French agriculture relied on a far greater degree of manpower than Britain for example, it found that their agriculture had been badly affected by the loss of manpower.¹⁴ France after Germany was most badly hit in the Agricultural area. France which had been more or less self-sufficient in its food production in the prewar years was now unable to meet its demand.

To keep up the demand for food, precious dollars had to be spent to purchase food. American agricultural surpluses continued to form a

¹³ Donald C. McKay, "The United States and France"(Cambridge,1951),pp.137-57.

¹⁴ Alain S. Milward, no.1,p.436.

major proportion of traded world food surpluses. Dollar saving thus persisted as a long-term motive for increasing national agricultural output. The Monnet Plan, in France, singled out agricultural machinery as one of its basic sectors for investment. In March 1946 the Modernization and Re-equipment Plan was set up under the leadership of Jean Monnet, its first head and chief advocate. This plan was termed the Monnet Plan. Although the earlier plans for national economic recovery and reconstruction were based on the idea that France would become Europe's largest steel producer, the Monnet Plan went further than that. It also gave importance to the Agriculture as an important source of foreign Exchange earner. As regard the Steel production it worked on the principle that the economic reconstruction of France was linked to that of Germany. The Monnet Plan was in a way responsible for the ECSC that was based on Franco-German cooperation in the field of Coal and Steel industry.

The aim was that France would not merely be self-sufficient in agriculture but also to be a food exporter. The French had in mind the British markets for their products. When that did not seem to be working, the French turned their sights on the German markets. This brought France in direct confrontation with America, which was a major exporter of foodstuff to Germany. As a result of the lowering of the international prices. At the same time the domestic prices could not be

lowered, as that would have meant a dissatisfied farming community which was not acceptable to the French Government.

In France from 1870 until recently, the most important albeit unwritten rule has been that a rural electorate must be maintained at any cost. This was perceived as the only way to compensate for the large and unpredictable swings among urban voters.

Although there has been a decline in the farm population due to modernization, as well as rural exodus to the cities, the importance of the French farmer has continued. This golden rule explains the increasing French protection in agriculture since its origin in the 1880's and its unquestioning acceptance by the French industrialists, even though many of them understood that agricultural protection deprived them of an abundant labor force and hindered their economic growth.

The reconstruction years was a period of remarkable political opportunity for farmers since agriculture was perceived as an export earning sector. Thus the farming community became such a strategically indispensable part of the nation as to merit especially favorable treatment.

Thus it was decided that in the price war, the interests of the farmers had to be maintained. In the end it was the domestic consumer and the taxpayer who had to foot the bill.

In contrast to the agricultural countries, the industrial countries were in a beneficial position since they could buy at a low price and hence were able to keep the cost of living down. This in turn enabled them to export their industrial goods at a lower price. The paradox of the situation was that countries like the United States and France which were industrialized and at the same time big agricultural producers, were subsidizing their own industrial competitors. This in turn harmed their own industrial growth and increased their dependence on agricultural exports.

In 1962 the French government put forth to the US a proposal to cope with the situation. It called for the fixing of the minimum international price for wheat. Although US liked the proposal, it wanted that there should be a fixed maximum quota for each producing country. However this proposal failed as France refused the US suggestion while insisting that it had not gained full productivity being only in the process of modernization.

The French then turned towards the European Community to help it find a solution to the problem. France was the most important agricultural producer among the Six, having almost half of the total arable land of the Six. While France was an agricultural producer, the other Five imported agricultural products for which they paid third countries lower prices than those demanded by the French.

Although the interests of the Five did not coincide with those of the French, de Gaulle was able to persuade the Community that agriculture should be a part of the Common Market. On January 31, 1964, he said

“For us, it was necessary that the Community include agriculture... Let us agree, therefore, that, of the Six states, we are the most interested in this important agricultural problem, for, of the Six, we are the ones who can supply the most grain, meat, milk, butter, cheese, wine and with Italy the most fruit and vegetables, this has led us to be the most pressing in Brussels.”¹⁵

The result of these pressures was the formation of the CAP (in spite of the warnings of Mansholt, Commissioner for Agriculture, about the long term perverse impact of the CAP)¹⁶

CAP was introduced in 1962 with an original goal of expanding production and reducing dependence on imported food and the Community's import requirements in energy, raw materials etc. To achieve this several measures were introduced such as: high internal prices, tariff protection at outside borders and Community preference i.e. given equal quality, European produce was to be given preference¹⁷.

¹⁵ W. W. Kulski, “De Gaulle and the World: The Foreign Policy of the Fifth Republic” (New York, 1966), p.217.

¹⁶ Patrick A. Messerlin, “France and Trade policy: Is the French exception passe?” *International Affairs*, vol.72, no.2 (1996), pp.300-301.

¹⁷ Office for Official Publications of the European Communities, “The Common Agricultural policy in Transition” (Luxembourg, 1996), p3.

In fact the CAP maintained that the Five would have to pay penalty if they continued to import farm products from other countries. The levy would represent the difference between the price paid to the Third countries and the fixed Common Market price. These levies would then go to the European Fund for Agricultural Orientation and Guaranty, which was created in 1962. This fund was to be used mainly to subsidize the exports to the third countries. France turned out to be the principal beneficiary of the CAP.¹⁸

At the time of establishment of the CAP it was estimated that the Common Market alone would absorb about one-fourth of French surpluses. The rest i.e. three-fourth of its surpluses would have to be sold to the third countries at the international market price.

France insisted that CAP was more an attempt to ensure a fair standard of living for the farming community, primarily through support for community prices at above world market prices. The United States was deeply affected by the enforcement of the agricultural agreement of the Six as it was one of the main exporter of agricultural products to the Common Market.

¹⁸ Office for Official Publications of the European Communities, "Europe from A to Z : guide to European Integration" (Luxembourg, 1996), p.23.

The American farm policy which had its origin in the depression, specifically with the agricultural adjustment(Act AAA) of 1933, promoted high production with the changed scenario, the US farm policy gave subsidies to slow down production. However with a domestic agricultural capacity to export \$45-50 billion worth of farm products, it is unlikely that government programmes can afford to hold that capacity in check for long.

America accused Europe of protectionism. Europe on its part reacted by maintaining that these measures did not make the union, a bastion of agricultural protectionism rather it meant economic security, of the farming population.¹⁹

The Americans were enraged by the fact that their exports, taxed by the levies, would encounter a stiffer French competition not only within the community but they would encounter a stiffer competition outside the common market, since France ,financially backed by the fine could offer her farm products at a low price on the international market.

Thus with the decrease of the market available to the American producer ,as a result of the CAP meant that the producer will have to make the painful adjustment .In fact the remarkable growth in exports

¹⁹ Jarrod Wiener, "Transatlantic Trade" in Jarrod Wiener,ed., *The Transatlantic Relationship*(London 1996).p134.

during the 1970's left US agricultural more exposed and more dependent upon trade.²⁰

GATT and Franco –American Conflict on Subsidies

The European Community, especially France and the United States are the two superpowers in world agricultural trade. Due to this the agricultural trade relationship between them is characterized by suspicion, hostility, and rivalry, tempered by the awareness of mutual dependence and shared interests. The resulting atmosphere of confrontation and mistrust spills over into other areas and threaten the harmony of the Atlantic Alliance. In fact the US-EU conflicts over agricultural are the most important issues facing agriculture today.

Thus it was most natural that this issue should come up in the General Agreement on Tariffs and Trade (GATT). GATT was one of the three multinational institutions – World Bank and the International Monetary Fund(IMF) being the other two, that were devised to help regulate the international economy. Multilateral trade negotiations within the GATT had 23 founding members which kept increasing at the end of each round.

The GATT rounds prior to 1960 were mainly concerned with tariff reduction in non agricultural trade, the Dillon round(1960-64)as far as

²⁰ Tom Jostling” Agricultural Policies and World Trade : The US and the European Community at the Bay” in Loukas Tsoukalis , ed. , “Europe, America and the World Economy”(Oxford ,1986), pp53-58.

agriculture was concerned it was not negotiation on trade liberalization but on the evolving CAP restrictions. In the Kennedy round (1963-67), the first major attempt at liberalizing agricultural was made –but failed. As a result of the Kennedy round, certain cuts in bound tariffs and the conclusion of a new international grains agreement and food aid convention was agreed by the two sides.²¹

Under the shadow of these negative experiences the Tokyo round (1973-79) concluded some more arrangements , regarding bovine meat and the international dairy arrangement, which sets out minimum export prices for dairy products. In the Uruguay round, agricultural presumed more important as it was felt that it was time to liberalize agricultural trade. In fact Oliver Long the former Director General of GATT noted in 1985²²

“ agricultural has been virtually excluded from the process of liberalization, unlike industrial products the attempts to liberalize agricultural trade have remained ineffective”

Uruguay round was the round, which was to be dominated by Franco-American dispute on agricultural trade. The question of farm subsidy was in the limelight thanks to the efforts of a group of 14

²¹ Financial Express (New Delhi), 21 March 1992.

²² *ibid.*

countries that describe themselves as the “non subsidiary agricultural exporters”

The Uruguay round extended to seven years instead of the usual four years as both France and America had adopted very fixed postures during negotiations on the CAP. The Americans demanded that all farm subsidies should go, while the French were insistent that change could only be gradual.

On the French side the powerful block ten million farmers in France ensured that France did not accept any proposal that may be detrimental for them. The French President Mitterrand could not be too liberal in discarding the wishes of the powerful lobby since he had to contend with the coming elections²³. Meanwhile the American President wanted to be sure that he would not be accused by the democrats of selling short, especially during the autumn election Campaign.²⁴

On one hand the French were insistent that they could not go in for radical change and that they had to protect their farmers since farming is not only an economic activity but is also has relevant to preserving a rural way of life. The Americans were also not ready to compromise since they believed non agreement was better than an unsatisfactory.

²³ Hindustan Times (New Delhi), 16 November 1990

²⁴ Times (London), 23 April 1992

The result was that the entire Uruguay round had to be postponed until these issues could be resolved. Although agriculture was certainly a large component of transatlantic trade yet each individual dispute concerned a relatively small amount of trade for instance \$55 million of foodgrains as a result of the incorporation of Spain and Portugal into the community in 1986 and \$1 billion worth of soybeans in 1992-93, on paper these issues pale into insignificance relative to the total value of bilateral trade. One would not have thought given the bitter acrimony over agricultural in the concluding stages of the Uruguay round, that the EU was already the largest importer of US agricultural commodities.

It seemed that a handful of European farmers could destabilize a large trade relationship, in which between \$212 and \$274 billion in annual world income gains were at stake²⁵

Several factors were responsible for agriculture capturing the headlines firstly the farmers were well organized, lobbied effectively and were able to attract attention by protesting visibly in the streets of European capitals, disrupting traffic and burning effigies. The US also kept agriculture in the limelight by blaming a lack of progress in all areas of the round event, those for which it was responsible- on the ability of the EU to the compromise in this one area.

²⁵ Jarrod Wiener, no.19,p132.

But despite widespread discontentment of the European Farmers it had become clear that CAP would have to be reformed.

In the EU as well as the US, a structural crisis caused by a condition of international surplus capacity, caused farm prices to decline and many farmers in both the US and Europe became bankrupt. The burden on public treasures was due to the fact that the US and the EU had similar price related domestic support mechanisms .The financial burden was so severe that the CAP had come to account for 60% of the entire EU budget from 1986-87

The main point of dispute between the two was the extent of liberalization. CAP was primarily a social instrument created after the Second World War to make farming a more attractive proposition. The family farm was seen as a pillar of society and religion. Micheal Tracy had commented that agriculture in France seemed hardly to be a subject of economic analysis, its importance was generally recognized almost without question and the rest of the community seemed to accept an obligation to preserve a large reasonably prosperous agriculture. The protection of social institution found an expression in the CAP.

Thus CAP was reformed after long internal discussions among the member states .The CAP was reformed so that there was no change in its economic and social aim. Broadly speaking it meant that under the new international rules, the EU will still able to give financial support to its

farmers, but the aid will be cut by 20% over a six-year period. In addition farmers were to be encouraged to let land lie fallow rather than produce crops for which there was no market.

Despite the acrimony in the GATT over the agriculture issue one can safely say both France And America over this issue was not very dissimilar .It is very clear that despite sound and fury during the tense negotiation in the Uruguay round, had there not been a sufficient congruence of interest between the two it is unlikely that the trade partners could have found themselves spending huge amounts in farm support programme, it was beneficial for both that an agreement of sort could be reached on this issue. However domestic compulsion of the two made the process long. France caused delay because it was engaged in the process of redefining a domestic bargain within its farming constituencies. The US on its part refused to make a compromise in its position until the bargain was struck, since it did not want factionalism of its farm lobbies.

Neither country wanted to take upon itself the responsibility of initiating change due to its domestic compulsions. Each wanted to throw upon the other the burden of adjustment.

It also became clear that the issue of agricultural subsidies would lose its importance in the long run. The crisis was due to a structural surplus caused by price support policies. The immediate crisis was

resolved by a compromise between the states and its farmers whose political importance was no longer commensurate with their economic importance.

Already the farm population as a proportion of the active workforce in the EU is on a decline. While 30 percent of the total force was engaged in farming in 1950, this figure had fallen down to 7.7 percent mark in 1990 and this constituted of an aging population, which meant that this figure would come down further. Similarly in America, the farmers constituted, only 3 percent of the total civilian employment by 1998, and the crisis of the 1980's had caused the most inefficient farmers to become bankrupt.

The relative loss in the importance of agriculture was replaced by the gain of other issues of bilateral trade, of which trade in audiovisual industry was the most important.

It has often been argued that Franco-American economic relations are affected by the security relations. The security imperative in transatlantic during the cold war was seen by many as moderating commercial disputes between France and America.

However their relationship has been problematic right from the time America came forward with the Marshall Aid plan for the reconstruction of Europe. France insisted that the Marshall plan aimed

at the economic domination of Europe by America which America denies. However France kept its criticism in check due to the benefits of American aid. By the 70's the Americans did not feel confident enough to keep allowing special privileges to Europe. In fact it looked upon its allies to solve the balance of payment problem. America felt the time had come for Europe to bear costs of the maintenance of the American troops in Europe. This question has dominated their relationship during the major part of the Cold War and has remained within manageable limits. There is no reason to believe that it will not remain so.

Agriculture dominated the trade talks between France and America in the Uruguay round. A compromise, (mostly on French terms) ensured that the CAP would be reformed. However, the importance of the issue lies on the fact that it raised the concern for "economic security" which centered on the social value attached to the programmes for the protection of farmers. That such non-economic arguments about the maintenance of socially valued institutions like CAP intruded into International trade negotiations is symptomatic of the widening of the agenda of the GATT to engage in discussions on agriculture. It is also significant due to the human security dimension.

FRANCO – AMERICAN CULTURAL CONFLICT

France as a Cultural Society : The Importance Of French Language

Since time immemorial, the history of international relation has been that of friendship or enmity of longs, of their ambitions, of rivalry, of their alliances. In modern times, nations replace kings, and they sometimes are even more passionate and ardent in their beliefs and ambitions. While the nineteenth century saw the appearance of economic wars for competitive markets, on the other hand the twentieth century was marked by the emergence of the importance of cultural relations to the nation states.

That is not to say that culture is a new concept. In fact the word culture in modern European language is derived from the Latin *culture*, from the verb *colere* with the meaning of tending or cultivation. Culture in the sense of personal cultivation appears in French at least as early as 1558. Seventeenth century French usage centered around phrases such as “the culture of wheat” or “the culture of letters”, “the culture of sciences”. Voltaire and other French writers of the eighteenth century gave a more absolute meaning to the word, that is of the *formation de l’esprit* (cultivation of the mind)¹.

¹ Colliers Encyclopedia, nd. 7 (Macmillan Educational Company), pp. 555.

However what do we mean by culture? The definition in the Collins dictionary say that.

“Culture, in its anthropological usage is the man made part of the human environment. A culture is the way of life of a specific group².

According to Kroeber and Kluckhohn.

“Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of actions on the other hand as conditioning, elements of further action³.”

The French anthropologist Claude Levi Strauss is of the opinion that :

“A culture is a set of patterns, of and for behaviour, prevalent among a group of human beings at a specific time period and which from the point of view of research at hand and of the scale on which it is being carried out presents, in relation to other such sets, observable and sharp discontinuities⁴,”

² Ibid, p. 553

³ Ibid, p. 553

⁴ Ibid, p. 544

Simply speaking, culture encompasses the language, art, literature and the certain way of seeing thing which within one culture only changes from time to time.

The language spoken in a country is one of the most important medium for expressing its own culture. There are about 3000 languages and dialects, out of which 120 of them are in Europe. Geographical circumstances and history has made some of these languages more universal, French being one of them. France has facilitated the spread of its culture through its language.

In total contrast to the American English, French is an ancient language having its roots in Latin. During the fourth century, Latin had become the universal language of Christianity. It was adopted by the church, who effected its implementation in all the branches of literature and science and finally made it the international language of diplomacy.

Latin, as a result of different jargons spoken by the Gaullish people was corrupted to such an extent that it gave birth to a number of patois. France was at that time a nation which was divided politically and linguistically. The different dialects spoken in the south of France were grouped as 'Langue d'oc'. On the other hand the different dialects spoken in the area north of the river,

Loire, were grouped as 'Langue d' oil'. The French 'français' or francien (ancient French) as it was called was the dialect spoken by the people in the central France. All these dialects were equally prevalent until the time a royal decree caused le francien to dominate other two dialects i.e. the langue d'oc and langue d' oil"

Right from the middle ages, francien spread out throughout the world, after the Battle of Hastings in 1066, French reached England to become its official language upto the middle of the 14th century. All official proceedings were in French and it was only in 1363 that the first parliament session in English was held.

Soon France was to reach golden heights as it became the language of International commerce. It was also able to exert considerable influence on the intellectual life of Germany.

In fact it went out to be the most widely spread in Europe. As Schwab wrote about French in the 18th century as : "*de toutes les langues vivantes, la langue française était la plus répandue en Moyen Age parmi les nations de "Europe"*". (of all the living languages, the French language was the most common in the Middle age among all the European countries⁵).

The invention of the Printing press further facilitated the spread of French all around. French was the most populated

⁵ Suzanne Balous, "L'action Culturelle de la France dans le monde" (Paris, 1970), pp. 20-22.

nation in Europe, in addition to being the richest. Thus it was able to use this new invention to its full potential to help spread its language. This was golden period for French and also for France as a nation, as its commerce was most active its university the most prestigious and in addition its monarchy was the most solid in Europe.

French was enjoying great popularity and prestige in Europe. Various authors sang its praises, Brunetto Latini, the Italian author of Dante was so much in love with French that he adopted French over his own mother tongue since he believed that this "parleure est plus delitable et plus commune a toutes gens" (the speech in this language is more delightful and it has more in common with all the people)

On the other hand, the other dialects were equally popular if not more common in French. It was only after the decree of Francois 1st that the Universities and the Parliament which had continued the use of Latin, started the use of French. In spite of the prestige of French as a written language, it would long remain a minority spoken language in France. Even in the 1790's one French person in four could not speak French and as many could not conduct a lengthy conversation in it. Breton, German, Spanish, Basque and Patois were still more popular in many areas especially among the peasantry, urban workers and women.

The French culture enjoyed an equally illustrious period under Louis XIV. The French art and literature received great patronage from Louis XIV and France became the cultural centre of Europe, attracting the best of art and literature to France. Louis XIV, on the advice of Richelieu established the Comedie Francaise the French national theatre in 1680. He also applied the idea of an academy to the other branches of learning and culture. An Academy of Dance was established in 1661, followed by Academy of Inscriptions (1662), Academy of Science (1666), Academy of Architecture (1671), and Academy of Music (1672). Louis XIV could turn France as the centre of intellectual life due to the vast resources at his disposal. The prestige and the grandness of the Versailles Court attracted intellectuals from all over the world The lustre of French literature, science and arts did its bit in attracting other intellectuals and at one point it seemed that France could not produce enough poets, writers, philosopher and intellectuals. The important ones were Descartes, Corneille then Moliere, Racine, La Fontaie, Bousset, then Massillon, Regnard, Lessage’.

The French art also holds its own in the world. The French artists occupy premier place in the art world. Jean Ranc and Luis Michel Van Loo were two French Painters to become official painters of the king of Spain. All over the world in the fine arts academies, the French style of teaching was adopted.

The French language scored another victory in the international diplomacy scenario when in 1714, the tendency of writing the treaty in Latin was replaced by French. In 1714, for the first time a treaty was written in French instead of Latin it was the Treaty of Rasatt. The precedent was followed in the Treaty of Vienna (1735), Treaty of Aix-la-chapelle (1748). Uptil that point, French was the only other language (Latin being the first one) in which an international treaty was written. At that time French was the language of diplomacy used by the diplomats in all international deliberations. However, this expansions and glory of French was not to the liking of certain sections and this hostility turned to be a boom for English which was experiencing literary renewal. This period saw the birth of philosophers like Cudworth, Berkley and poets like Pope, Gay. The new philosophy of Locke, the theories of Newton exerted a considerable influence on European thinking.

However this period was brief for English language that came to an end due to the conquests of the French Revolution. In total contrast to the Ancient Regime, the revolutionary regime and then the Empire prescribed to a strict literary policy. They declared war on Latin and on local dialects, imposing the use of French in the schools. It was followed by eliminating the teaching of Latin in the colleges. For the revolution it was important that the language should be national which was to be a part of the nationality. The

Empire imposed French as the official language in all the courts. The immigrants of the Revolution also played an important part in the diffusion of the French language and culture.

In 1835, there were 35 million French without counting the Belgians, French Swiss, against 26 million English and 29 million Germans. An interesting feature of this period was the significant growth in the number of English speaking people. If there were around 5 million English speaking people in 1500, there were 9 million of them in the beginning of eighteenth century and around 123 million of them in 1900.

The French language lost its importance when with the growth of nationalism in Europe, national language seemed to be preferred. Finally with the signing of the peace Treaty of Versailles on 28 June 1919 at the end of the First World War, it seemed that French had lost its privileged place as the Treaty was bilingual, English being the second language.

The French government decided that certain measures were necessary to develop further the French language. To this purpose "*Bureau des Ecoles et des Oeuvres*" was formed which looked after the growth of French language abroad. However the expansion came to end with the Second World War.

At the end of the Second World War France realised that the circumstances had changed tremendously. For the first time the centre of power had moved away from the European continent. In the field of diplomatic relations, the situation of French language was disastrous.

France had lost its economic and political power during the Second World War. Its problem was that its economic ambitions clash with its cultural identity. On one hand the French seek economic power in order to maintain its position in the world. But at the same time it did not want to lose its cultural heritage in the process, which is “intrinsically archaic, those *vieille valeurs* which are the very foundation of *la France eternal* such as *l’academisme*, distrust of pragmatism, a passion for philosophical abstractions, and a taste for refined fashion and highbrow culture”.

It was a big blow to the French people that it was only after long deliberation that French was made the working language of the United Nations along with English.

The Influence of English on the French Language

By 1960s it seemed that not only had English overtaken French as an intellectual language, it had also managed to cause massive invasion of French (it is called *franglais*) which caused a great intellectual cry. Magazines such as *Marie-Claire*, *Le Point* and

L'Express in 1980's clearly demonstrated the rampant use of English words : Le temps d'un drink.... Immeuble de grand standing ... le business car... le short de football... la mode made in Timiwear... dressing room aménagé... l'après shampoing... une star est interviewée... stereoplay⁵.

Although there are a large number of French words in the English language such as *café*, *maitres d'hôtel*, *maisonnettes*, *raison d'être* etc., still the reverse was not acceptable to them as they insisted that their language was being corrupted.

In the 1960's, modern techniques of advertising and public relations arrived late in France. It was believed that a commodity with an Anglo-Saxon name would become more acceptable. The clothing and cosmetics world virtually adopted English as the *lingua franca*, and house agents for a while did so too. Some of this effect spilled over to the journalists from where *franglais* spread soon "*un drink*" came on to replace the more traditional "*prendre un verre*" while "*le shopping*" became more common than "*faire les courses*".

Another reason was that new technological advancements were taking place in America which had overtaken Europe in technological developments. In the absence of the French equivalent the English names became more prevalent. For example

⁵ John Ardagh, "France in the 1980's" (Middlesex, 1982), p. 390.

“Le jeans” was an adaptation from the English “Jeans” simply for the lack of an equivalent.

The French language was formerly the leading world language of diplomacy and culture. The French were resentful at the way it had been overtaken by English. The alarmed Giscard government decided that necessary steps had to be taken to check this growing trend. Thus in 1977 January, a Bill forwarded by a Gaullist deputy Pierre Bas was adopted in the Parliament which made the use of foreign words virtually illegal to use. However this applied only to foreign words – where French alternative existed and it was applicable in advertisements, official documents, and even on radio and television. The law greeted with some derision in the Press, which pointed to the absurdity of trying to impose legal curbs on anything as spontaneous and fluid as language. In *The Times* Bernard Levin wrote “this cultural crime of a crackpot nation that will impoverish its own language through this protectionism⁶”

Earlier the French government had established on 31 March 1966 “*Un Haut – Comite pour la defense et l’expansion de la langue francaise*”, (since rebaptised *Commissariat General*) to protect the French language from the impurities of English. Its aim was to study proper measures to assure the defence and the expansion of

⁶ Ibid, p. 391

CHAPTER III

French language to establish necessary links with competent private organisations especially in the field of cultural and technical cooperation, and to encourage all moves that lead to the defence and the expansion of the French language.

The high commission was made up of three commission one of them was, La Commission du bon language which sought to maintain the instrinsic qualities of French. Its aim was to ensure the use of proper French in Administration. It examines the French spoken in radio and in television. It also undertakes research of the ways to guarantee the unity of French language in francophone world. These efforts at purifying the French language were followed by almost all the French Presidents. Pompidou encouraged the creation of the *Association de Cooperation Culturelle et Technique* and in 1984, Mitterrand set up a *Comite Consultatif de la Langage Francais*, as well as an *Haut Conseil de la Francophonie*. The French Government also issues decrees for the establishment of the *Commissions de Terminologie* with the job of enriching the French vocabulary⁷.

The French also tried to minimize the use of franglais by creating new-words for English equivalent. However they often sound absurd and hence they have not been adopted by the people in general. For example the French equivalent of *le cash flow* is *le*

⁷ John Ardagh, no.5, pp.391-93.

marge brut d'autofinancement. Not only is the French equivalent long, it also tends to sound absurd. The French language lacks the suppleness and is not concise, hence *un oil-rig* will still be preferred over *un appareil de forage en mer*.

Despite best efforts one thing is clear, *franglais* is here to stay especially due to the fascination of the French youth of all things American. Whether it is the American car, jeans, jazz or even movies. This is bound to affect their language also. Hence the English words in the French language. This is a very difficult fact for France to accept because of its glorious past.

The period before the revolution and also after it for a while, France was the leading nation of Europe and world, being called *la Grande Nation*. It was very powerful, splendid, populous, rich, feared and at the same time imitated by all. "Paris was the world's capital by antonomasia⁸".

It was an accepted fact that the civilized, polite and cultivated people spoke French and also had studied French thought. There were several European princes who tried to have a French philosopher resident in their Court. In the fashion world, France was the trendsetter with every fashion conscious woman in Europe and across the Atlantic following the French fashion religiously.

⁸ Luigi Barzini, "The Impossible Europeans" (London, 1983), pp. 123.

In fact the French are proud of the fact that practically all European nations owe their political foundations today to the ideas of the French Revolution. French literature and philosophy were responsible for spreading the concept of the nation, of the sovereignty and self - determination, of the rights of man, of freedom of press etc. (but they did not like to remember that these concepts had first been conceptualized in the American war of Independence which in itself had influenced the French Revolution).

Slowly but surely, especially after the Second World War, it became evident that France was losing its vast cultural, moral, economic industrial, scientific, financial, and military dimension. That is to say it was 'losing its superiority as a nation', however the French national pride refused to go. It is this pride that forces the French to forget the present scenario, and at the same time forces the French to remember their glorious past. It is again this pride that forces France to be a truly modern country, a la page in technological developments⁹.

That is not to say that France during this period was only imitated America and had no contribution of its own to make. The post cold war period saw the development of the democratic

⁹ Ibid, pp. 122-125.

planning in France that was initiated in the United Kingdom and highly praised in the United States¹⁰.

They do not like to accept that America has overtaken it in almost all the spheres of cultural, political and economic life. Not only is America economically stronger, it also has more political clout than what France can even hope for. It is also slowly and surely overtaking France as the cultural capital of the world. Already New York has overtaken Paris as the fashion capital of the World. And this from a nation which owes its freedom to the French (The French played an important role in the American Revolution).

America as a Cultural Society

America was born out of the first stages of the breakup of Europe, and helped the process of breakup. The American culture was a mixture of native Indian and European culture. In addition to the British, the Scot-Irish the French Huguenots, the early German settlers from the Palatine and later Germans who left behind the abortive German revolutions of 1848, and many other strains came to America. There were Irish Catholics, driven by famine and inner restlessness; there were Norwegians, Swedes and Danes, Hungarians, Australians, Bohemians and Moravians,

¹⁰ Michel Crozier, "France's Cultural Anxieties under Gaullism: The Cultural Revolution Revisted", in Stanley Hoffmann and Paschalis Kitromilides, eds., "Culture and Society in Contemporary Europe" (London, 1981), pp. 107-114.

Spaniards and Portuguese, and others. Thus it became part of the American tradition to be an amalgam of many traditions, even when there was pressure to select one of them (the British - West European) as the "American One"¹¹

The Americans rejected Europe to create the American dream in the aftermath of the American Revolution. It was the enterprise arrayed against mercantilism, laissez faire against monarchy, popular nationalism against the dynastic regimes, social mobility against caste, the pioneering spirit against the status quo.

The core of the American language is English, although the native elements added to it have given it an "American" character. The Americans soon felt that it was necessary to give an American touch to the English. As a contributor to the Royal American Magazine in January 1774 said about American English. He said, "although English had greatly improved in Britain, yet its highest perfection with every other branch of human knowledge is perhaps reserved for the hand of light and freedom 'meaning America' "¹².

To make English more American, Franklin started a spelling reform, in which he succeeded to the extent that he could remove the alphabet 'u' from words such as honour.

¹¹ Max Lerner, "America as a civilization: The Basic Frame" (New York, 1962), pp. 21-27.

¹² Howard Mumford Jones, "O Strange New World, American Culture: The Formative Years" (New Delhi, 1964), pp. 337-38.

The efforts to add a more American touch to the English language may seem a little absurd but they were based on certain necessities of the American nation. In America, its cultural heritage was totally European so that with the growing nationalism it wanted a separate language identity, separate from the language of the British. They believed that with time they would also be able to produce a language that would be different from English of England in the same way as the modern Dutch, Spanish and Swedish are different from German or from one another. Webster said, "I have too much pride to stand indebted to Great Britain for books to learn our children the letters of the alphabet"¹³.

Basically the main aim of the whole exercise was to develop a distinct cultural identity for itself.

In fact Americans believed themselves to be culturally inferior to the Europeans and especially the French. And they demonstrated this inferiority by adopting an attitude of apathy indifference and even hostility. So much so that in the seventeenth century art was considered a waste of God's precious time. In 1666, three men were taken to court for trying to mount a play.

Another important reason for the non-development of the Arts in America was that then America was a developing nation that had to build itself a cultural conscious audience. Indeed the

¹³ *Ibdi*, p. 338

necessary audience (essentially urban population) had not yet developed.

But that is not to say that these arts had not be introduced in America. Even if it wanted, America could not have stayed innocent since being an English colony, the colonists had brought with them a venure of culture. Theatre, music and painting had taken root in the US before 1800 in various US towns like Washington, Philadelphia and New York.

The middle of the eighteenth century saw the emergence of great literary figures like Melville, Whitman, Emmerson, Hawthrone and Poe. Despite these the Americans remained essentially a working class society, with a disdain for culture especially since the culture catered mainly to the elite classes.

The American attitude towards art and work are clear from the letter of John Adams a Congressional envoy to Versailles in 1780, wrote to his wife Abigail

“I could fill volumes with descriptions of Temples and Palaces, Paintings, sculptures, Tapestry, Porcelains... if I could have time. But I could not do this without neglecting my duty.... I must study Politics and War that my sons may have liberty to study Mathematics and Philosophy, Geography, Natural History, Naval Architectures, Navigation, Commerce and Agriculture, in order to give their children a right

to study painting, poetry, Music, Architecture, Statuary, Tapestry and Porcelain¹⁴.”

The lack of the development of art can also be attributed to the absence of Church as a patron of art as well as the lack of government support for artists. The artists were thus forced to depend upon voluntary associations like the Pennsylvania Academy of Art, however they were not able to make a large contribution to the cause of art in the absence of state support like in the case of the French Ecole des Beaux Arts.

But as the nations developed and became more and more sure of its distinct identity and with the development of urban communities, especially after the end of the Second World War, America's traditional contempt for culture began to change. The immigrations from Europe to America at the end of the First and the Second World War also had a role to play¹⁵.

Thus from a hesitant start the Americans went on to develop a distinct cultural identity through its arts. However the Americans went on to develop a very different type of culture which is called the popular culture since it aimed at a more general audience rather than an elitist one. Thus the Americans preferred to develop the popular culture, which is manifested by the various art forms in America whether it is the American Cinema or Pop music or

¹⁴ Alvin Toffler, “The Culture Consumers : A Study of Art and Affluence in America” (New York, 1964), pp. 135-36.

¹⁵ *ibid*, pp.13-15.

even its fine arts. Television, Film making and popular music are different manifestations of this popular culture through which America has sought to dominate the culturally developed nations of Europe.

Cinema in France and America : The Economics of Cultural Conflict

The French pioneered cinematography in 1890's and since then they have made important contributions to the world of film – making. Cinema has been for a long time intellectually respectable in France and since the end of the Second World War, there seemed to be an increased passion for it among the younger educated people, which has been manifested by the establishment of new 'cine' clubs. The films the French make are more for elite consumption rather than catering to the tastes of the common people.

In contrast to the French film making the American cater to the popular culture. The American cinematic industry has been built out of the dreams of the people. The movies started as a peep show in the Edison slot machines that were housed in penny arcades and went to winning an independent audience in selling a connected story.

Hollywood is a little world in itself that is connected to the life of the Americans in the sense that the themes of the American movies take inspiration from the psychological drives in American life. The success of Hollywood, beyond pure economic factors, can be attributed to two main things. On one hand, the nature of the message and on the other hand, its ubiquity and familiarity. From the masterpieces, of Frank Capra, such as 'Mr. Smith goes to Washington', to Stephen Spielberg's 'Schindler's list' the American cinema has a simple message to deliver that the individuals can make a difference. If they want to do it, they can¹⁶.

This triumph of the individual, motivated by compassion or a noble ambition is universal. It contrasts drastically with the French romance where A loves B, who loves C, who loves D. But the powerful message of Hollywood translates into a universal yearning. It is not particularly American. It comes in fact from Europe, poor southern Italy for French capra, central European Jewry for Stephen Spielberg. The reason for the success of American film is its universality, and the openness of America. Its film are such that one can identify with and dream with. The American film appeals to the heart of the audience while the French film stimulates the mind.

¹⁶ Dominique Moisi, "America the Triumphant", [http:// www Tutls.edu/~gmitchael/p207/0208a.txt](http://www.Tutls.edu/~gmitchael/p207/0208a.txt).

Thus in the 1980's France realised that the America cinema with its successes such as Star Wars and Saturday Night Fever were making inroads into the market for French films. The quality films that France insisted that it was making, did not do well, for despite the Cinemania of students and intellectuals, these films did not have mass appeal. In fact the top money spinner in France since the war ("La Grande Vaudrouille "The great turnabout") was a movie which was not heard of by many people abroad.

To promote its exports the French film makers resorted to making 'porn' films and in the 70's about 100 such films were being made per year and an alarming number of cinemas started showing such films. As a result of the growing public opinion in France against these types of films the government decided to take specific measures to put an end to the growth of these films. Finally in 1975, the government created 'x' class of films which were banned for the under eighteen. On top of that these films were allowed in specific cinemas and carried a VAT of 33 percent. These measures proved effective and once again the focus shifted to making meaningful movies¹⁷.

The French did not see any reason to change the type of films they make and instead prefer to believe that the fragmented film industry is the cause for the relative non success of their films

¹⁷ John, Ardagh, no.5, pp.130-35 .

which prevents them from standing up to the challenge of the American cinema. To this end, larger film companies such as Pathé, the Union Générale Cinématographique and Gaumont started efforts to modernize the industry in the line with the American film industry. These companies tried to promote French cultural cinema since they believe that France's quality cinema is one of its cultural glories and was perfectly capable of making money too world wide but for that they had to be backed by modern financial structures and a dynamic business policy.

The French cinema was also affected by television since people tend to prefer to watch movies at home rather than going to the cinema. The film makers thus reached an agreement with the television which accounts for 96 percent of feature film viewing.(1) It was decided that TV would not screen films less than three years old, and in total not more than 500 films a year and at least 50 percent of the films would be French.

To further encourage its film industry, the French film industry realised that they would be more successful if Europe wide measures were introduced. To this end the European union issued two European directives the 'Television Without Frontiers' directive of 3 October 1989 which provided for 51% European content for the Television programmes in the EU. The second was 'MEDIA' programme which was a subsidy programme to assist the

funding, production and distribution of cinema films, mainly by assisting cooperative productions among member states.

The United States was not happy with the developments since firstly it meant that its television programme could not be broadcast in the whole of European Union and 'MEDIA' since it gave an unfair advantage to the European films through its subsidies. The United States thus picked up the question in the services negotiations of the 1990 Uruguay Round of GATT. The Europeans on their part did not prescribe to this view point that the audiovisual industry should be kept under the preview of GATT. They felt that since the audio visual industry was a powerful medium to define and shape national values it should be exempted from GATT. The French were of the opinion that the Audio visual industry was not merely service trade that had to be liberalised but it had an important task of preserving the culture of a nation.

The special Group of Negotiators on services (GNS) created to study the issue agreed on the 'special cultural status' of audiovisual industry. However France was not satisfied with the development of the recognition of the specificity of the culture industry. The French directors, actors, writers and technicians, along with their European counterparts formed an alliance to put pressure for further concession for the European film industry. The

French communication Minister, Alan Carignon reiterated that since the audio-visual industry played an important part in the cultural heritage and the development of national values there should be cultural exemption from GATT.

The Americans disagreed with the Europeans while maintaining that the audio-visual 'entertainment industry' was a commodity like any other and should therefore be subject to the liberal principles of GATT. The French on their part were insistent on referring not to an audio-visual industry but to a cultural industry. It also evoked strong reactions from the French functionaries who denounced the whole idea as the cultural invasion of US. French cultural Minister Jacques Joubon warned that France would veto a services agreement that did not protect it from "Coca-Cola - McDonald - Disney World lifestyle¹⁸". The leading filmmakers of Europe were of the opinion that if the audiovisual industry was not exempted from GATT, then Europe was found to lose its cultural identity which would be replaced by the American culture.

The French are of the opinion that the audiovisual industry is a powerful medium to shape the cultural value of a nation. The case of the use of "Voice of America" was cited to demonstrate the

¹⁸ Jarrod Wiener, "Transatlantic Trade" in Jarrod Wiener, ed., *Transatlantic Relationship* (London, 1996), pp.146-49.

power of the audiovisual industry. This medium was used by the US in its ideological campaign against communism.

It can easily be argued that increased communication with other communities produce greater insecurities and can cause one to become more self-aware. It is not only EU that has resisted efforts for the liberalization of trade in 'cultural' services. North American Free Trade Area (NAFTA) limits ownership by NAFTA signatories of Mexican cable television systems to 49%, and cultural industries were excluded from the US Canada Free Trade Area Agreement due to the fact that Canada also promotes local content in its television broadcasts¹⁹.

However there is another side to the argument and that is the economics of the matters. For the United States its entertainment industry is the second largest export earner for the US, after defence industries. In 1992, the US earned \$3.15 billion on the sale and royalties of television, cinema and video in the EU and the US industry has become heavily dependent on export markets (see the table).

¹⁹ Ibid, pp.148-49.

US Receipts in the EU (MECU)

	1990	1992	1990	1992
Cinema	975.2	733.6	43	63.6
Television	1,099.1	1,417.3	80.8	81.7
Video	1,124.0	999.3	88.6	102.3
Total	3,198.3	3,150.2	212.4	247.6

In 1990 the America film industry was able to accrue only 30% from the domestic US market as compared to 80% in 1993. This clearly demonstrates that for the American film industry the export market is gaining importance. Thus it wants liberalization of audio-visual industry under GATT.

The Europeans on the other hand were not in the favour of such a move since it meant that America would have an open field, which would indicate the death of the European film industry. Although the Europeans and more so the French resisted this move on cultural ground, it is however true that economic factors also influenced the decision. The American insisted that the resistance was not a broad – based, popular nationalist or social movement against American culture, but was propagated by a small industry lobby and governments who feared the removal of quotas and subsidies (\$416 million annually in French) which would expose their deficiencies as film makers.

It is very difficult to ascertain whether the issue concerns culture or commerce which is why it was difficult for America to

successfully argue its case in GATT. However with technological advancement such debates are bound to increase and could include areas such as pay TV, video on demand and internet like network.²

Antiamericanism

There is no easy way of summing up French perceptions of America since France is a heterogeneous country made up of countless different groups each holding a different image of America. It is not possible to assert a certain proper and American viewpoint primarily on the basis of poll findings since these polls do not convey the real emotions of the population. It is possible that people can loathe Reagan while being enthusiastic about American technology and jazz. In fact the French philosophers Baudelaire and Sartre, were great proponents of American literature but at the same time, fierce critics of the American way of life or Americanism as it is more popularly called.. Thus it is important to look at the major swings of opinion in French history before looking at the important trends in the French viewpoint of America.

America has never ceased to fascinate and exasperate the French, as well as inspire all sorts of fantasies. There were two dreams in the 19th century socialism and America. The first illusion has collapsed while the second has bloomed and become

universal. Young and original talents all over the world dream of America¹⁹.

The anti-Americanism grew in Europe in the aftermath of the Second World War. At the end of the war it was not a sentiment of the population at large, rather an attempt by the communists and their sympathisers in the French government to mobilize opinion against the American presence in Europe. However as time passed these themes yielded ground to an even older right wing Anti Americanism, which drew its strength from the resentment that the Europeans felt at their misfortunes and their displacement in the world arena by what they perceived as a younger, less experienced less cultured or civilized people.

After the end of the Second World War there was an ambivalent French attitude towards America. There was a general perception in France that the Soviet Union had played a more important role in defeating Germany. The "Gaullists" also propagated that the country had liberated itself, an assertion which had its roots in the very real misunderstandings between De Gaulle, Roosevelt and Eisenhower. There was also the myth of Yalta according to which, the French held the belief that Soviets and Americans had shared out Europe between themselves and

¹⁹ Dominique Moisi, no.16, p.1.

deliberately excluded the French on the personal initiative of the American President²⁰.

The French were also disappointed by the US aid, since the extent of Americanism aid under the Maroshall Plan did not meet the high expectations that the French had from the Americans.

This anti-Americanism was manifested in what seemed to be trivial for the Americans but not the French. The battle to keep Coca-Cola out of France was one of them. The principal opponents were naturally the manufacturers and distributors of the traditional aperitifs and soft drunk but it evoked a strong cultural response against what was termed as the coca-colonization” of the French²¹.

There is no denying the fact that Europe was Americanized to a large extent in those years. As economies prospered, everyone wanted the hard goods that had become characteristic of “the American way of like” like cars, washing machines, TV etc. These brought with them new habits such as supermarket shopping, packaged and prepared food. These trends naturally evoked strong reaction from the people in general, especially the older generation against what seemed like the erosion of the French way of life.

²⁰ Denis Lacorne and Jacques Rupnik, in Denis Lacorene, Jacques Rupnike and Marie – France Toinet, eds, tr by , eds tr – by Grald Turner, “ The Rise and fall of Anti-americanism: A Century of Fr prospection”, (London, 1990), pp. 1-4.

²¹ Ibid, pp. 13+-14

What the French were scared about was that in France it became fashionable to dress and eat like American. Since it shows the easy acceptance of the American way of life by the French youth. The easy acceptance of the American lifestyle was evident from the fact that despite protests from a certain section of the society Coca-cola managed to establish itself as a popular drink in France . Same was the case with the establishment of the Walt Disney amusement park.

Although the anti Americanism had its origin in France, it soon spread to other countries of Europe as well. De Gaulle was able to channalise the French complexes about the “Anglo – Saxons” into hard votes. De Gaulle realised that the French needed a superiority complex to compensate for the loss of political authority and this complex of cultural superiority was widespread among Frenchmen of all classes. A remarkable observer of the French scene writes :

“The children... know that the French language is the language of Civilization and that Civilised people everywhere consider France as their second *patrie*²²”

The upholding of such a complex of cultural superiority was a psychological device that allowed the French to accept the fact that America and Russia were the superpowers. The Americans are not very popular in France as their former relationship has

²² .ibid, pp.100-01.

revealed. In the nineteenth century Americans were regarded as distant rural relatives, uncultivated, ill mannered, simple minded but tolerated with a condescending smile. Thus there is an element of envy when a 'poor relation' suddenly become more influential than oneself. The same was the case with France and America.

The French also resent the heavy debt of gratitude they owe the united States for freeing France during the second world war. Thus the French like US for Lafayette and resent it for the Marshall Plan.

On the other hand it is also true that a certain American cultural imperialism is undeniable. The American media which is and powerful is able to exert influence on the cultural life of the people. However at the same time one should not deny the fact that competition is possible and it does exist.

The French did not endear themselves to America with their superiority complex. In the same way the French were also not pleased with the way America had managed to survive and maintain its superpower status. Slowly but surely anti-Americanism turned to pro-Americanism with France accepting the reality that the United States had taken a long lead as a dominting power in the world and that it was dependent on America for

various reasons. The acceptance was followed by a growing fascination of the American culture.

However, the pro-Americanism raging in France today needs to be seen in a perspective. It does not necessarily represent a profound transformation since the French governing elite have not been previously fundamentally anti-American. There is spill over effect of the cultural dispute between the two to the other areas also.

There is the question of the audiovisual industry which has an economic angle to it with France wanting to protect its culture and also the film industry by restricting entry of the American

audio-visual industry. The Americans on the other hand want a free access to the European markets since their films have to be a big success there earning a major portion of the American foreign currency.

In the same way it has been seen that there is a link between the security relations and cultural relations. The more dominating position America adopts in the security alliance, the more France want to exerts itself culturally.

It is evident that American culture has overtaken the French culture as a popular culture that is the choice of the youth in the

world today. In the same way it is true that France will continue to the francophone world. On the question of the audio-visual industry it is natural that the dispute between the two will further develop.

CONCLUSION

The Franco-American relations have a complex history of close cooperation among the allies. But at the same time bitter acrimony has also existed between the two on various issues of conflicting mutual interests. It is also true that the rapport between the two for a period of almost fifty years have clearly shown a net tendency towards improvement. In spite of all this, the critical attitude comes up between the two, especially due to past misunderstandings. In fact the memory of past problems weigh heavily on the interpretation of present attitudes. It is equally important to note that France and the United States are not only allies but they are also two very important actors in the world scene, thus it becomes imperative that they work together.

Although the Yugoslavian crisis has put a dampner on the French ambition of playing a more independent role in the European security, it does not imply that France has given up all hopes of establishing the EDI. The Balkan debacle demonstrated to the French that the Europeans were still not ready to take the lead from America which remains equally if not more important to the European security matters. The French realised that adopting an aggressive position towards the United States may cause it to return to the policy of isolationism. It has been argued that the US may withdraw completely from Europe if it was forced to play a minor role within the alliance.

France does not want America to return to the policy of isolationism since the American guarantee is necessary even today. Although the Soviet conventional threat to Western Europe has disappeared, but a new Soviet threat has emerged. Russia remains a nuclear superpower and will remain so for atleast a decade or so and

is thus a latent threat to the European security. There is always a possibility that a resurgent Russia under an unstable leadership might one day pose a threat to its neighbours in Western Europe.

Secondly continued US engagement in Europe is necessary to ensure that Germany does not feel a need to acquire nuclear weapons. The American security commitment to Germany reassures German leaders about their national security. It is not only Europe that needs continued American presence, it is equally important to the American interests that a stable European environment is maintained.

Although it is clearly understood by the French the need for continued American presence in Europe and the importance of NATO alliance to West Europe, however at the same it would not be wrong to say that it does not like the continued dependence on America. It is in favour of taking small steps towards the development of the European Defense Identity. The Franco – German corps might have become one of the units available to the NATO system, however it continues to be an important component of an independent European security. It is mainly because of the French efforts that Common Foreign and Security Policy (CFSP) has become a distinct possibility.

For most of the Cold War years there have been four issues that have dominated the security alliance. They are: nuclear deterrence, détente, “out of area” and burden sharing. Out of these four the first two have become irrelevant. However the latter two continue to be of importance even today. The issue of burden sharing has again shot into limelight with certain congressmen insisting that Europe should take up more responsibility for its own defence. At the end of the Cold

War America feared that such an argument will provide further encouragement to France to play a greater role in developing an independent EDI leading to a downplay in America's role in the security alliance. However once they were sure that France did not want a dilution of the American role they were more ready to give France the encouragement to develop the "European pillar" of the defence alliance.

Thus for the above mentioned reasons it is clear that America will continue to play a dominating role within the alliance, though the partnership equation between France and America will change within NATO. France will have to be treated by America on more equal terms if the French cooperation is desired.

A more pacific relation between the two in the security matters signifies a more heated relation over the economic matters. Since France and America are two leading industrial and agricultural trading countries there is bound to be competition between the two over certain trade issues.

However much this competition is exaggerated, it is not more than the competition between the other countries and such a competition is totally normal, and cannot be termed as 'economic war'. There have been certain differences between the two, that have varied in different period. The question of farm subsidies and the agricultural trade has demonstrated the different interests of both France and America. While America which is still the largest exporter of foodstuff has called for a change in the European Union's CAP. The emerging competition between the two resulted in low world prices in food grain

and a huge budget allocation as food subsidies to maintain a minimum support price for the farmers. The French held the view that the CAP could not be reformed to such an extent that the interests of the farmers were ignored. The French did not view this as an economic problem preferring to see this as a socio – cultural situation. It is true that each democracy has its own way of resolving problems based more on its history, culture and ideology rather than on strict dogmatics of economy. The French still remember hunger that was prevalent in the country at the end of the Second World War. It also felt that for the maintenance of the socio-economic structure of the French society, farmers and the concept of family farms had to be maintained. Thus the question was not of economies, rather it pertained to the socio-economic relevance of a certain section of the society. It is the simply a matter of a different perspective and it is in this manner that the conflict be analysed, rather than talking of an economic war between France and America.

The Trade War over the agriculture is bound to begin again as the issue comes up for discussion at the World Trade Organisation (WTO) by November 1999. Although the US had given in to the French position at the Uruguay Round over subsidies cut, this time it seems that the Americans have made up their mind to press for further cuts. The Americans insists that the French have to make substantial agricultural reforms if the trade talks due to begin later this year are to succeed.

It appears that the European Union will have to do something about its \$60 billion CAP that represents 85 percent of the world's

export sops. The already-steep prices at the CAP for both EU consumers and taxpayers will grow as the 15-nation union opens its door to new members in Eastern Europe. However only when the new round of trade talks begin in Seattle in November this year that the position of both sides will become more clear.

At the same time it is become more and more evident that agricultural subsidies is losing its relevance due to decreasing farm population. At the same there seems to be emerging other contentions issues in trade. The growth of French defences industry, the airplane industry and more recently the audiovisual industry. France is giving competition to America in its top two export – earning sectors: defence industries and its audiovisual industry. With the development of its independent military policy France has ensured development of high technology industry. In fact France has emerged as the leader in a range of high technology industries such as: in the field of commercial planes, high speed trains, in the field of space technology and nuclear energy and in general in scientific research.

The issue of trade in services, which was brought under GATT in the Uruguay round of talks, opened a Pandora's box. It brought to fore the argument on what was seen as the "cultural invasion" of France by America. The growing corruption of the French language with English words and the growing fascination of the French growth of all things American had caused alarms among the elite and the older generation of French in 60's. this alarm manifested itself in the form of " anti-Americanism". Although " anti-Americanism" as a sentiment lost its favour of the 60's, it is true that the French have a

tendency to blame America for everything that goes wrong in their country. At the same time it appears that the French have reconciled itself to a certain influence of America in its culture but that does not seem to stop the French from stopping the spread of the American influence as much as they can.

This attitude was evident at the hard-line position adopted by the French at the GATT talks on services. The French were insistent that the audiovisual industry could not be kept under the GATT liberalisation since it had to do with the preservation of the culture of a nation. On the other hand, America wants the opening of the European market for its audiovisual industry. For America its audiovisual industry is the second highest export earner and hence it desires liberal trade in this area. This issue is also up for discussion in the forthcoming WTO talks and is bound to become more relevant as other similar areas also come up for discussion.

The US has maintained its leadership in International Security. However in the field of commercial and monetary relations the US has ceded its leadership role over the years. The introduction of Euro as a challenge to the US dollar has further strengthened the European position. France is aware of the American weakness in the economic matters and hence it wishes to use this power even in the security matter. In the same way America wishes to utilize its leadership in security matters to secure concessions in economic areas.

Whether it is the security aspect or economico-cultural, one thing is clear that is that in today's multi polar world both France and America have an important role to play which calls for greater

cooperation between the two. While bilaterally there existed tensions between France and America on security and economic issues, essentially France is a part of the P5(Five Powers) grouping which have stake in the process of globalization and maintenance of international peace. Within the P5 group France finds that America plays a balancing role in context of Germany. France for its own purpose had tried not to depend on such a equation with United States by improving its relationship with Germany. Germany has also reciprocated the French desire to be more independent of the United States by forging closer links with France within the European Union.

The trade and tariff war between the two may have diluted on the issue of agricultural subsidies but it seems to have intensified on the Audio-visual industry issue. France has managed to convert these issues as European concerns in relation to the US. Hence America had been repeatedly feeling that the EU is a “ fortress Europe” on trade issues. The American response had been to create “fortress America “ formulations and NAFTA appears to be a symptom of this trend. Whatever may be the differences between France and America on trade and security issues, there appears hardly any reasons that both the States would resort to war to resolve these issues. Indeed France is sure that America is a competitor and not an enemy.

BIBLIOGRAPHY

BIBLIOGRAPHY

Primary Sources

1. Commission of European Communities. *The European Union and World Trade* (Luxembourg, 1995).
2. Commission of European Communities, *The Common Agricultural Policy in Transition* (Luxembourg, 1996).
3. Commission of European Communities, *Europe from A to Z: Guide to European Integration* (Luxembourg, 1997)

Secondary Sources

BOOKS

1. Adler, Selig, *The Uncertain gaint:1921-1941: American Foreign Policy Between the Wars* (New York : The Macmillan Company, 1965).
2. Ardagh, John, *France in the 1980's* (Middlesex: Penguin Books, 1982).
3. Ardagh, John, *The New France* (Middlesex: Penguin Books, 1970).
4. Axtell, James, *The Invasion Within: The Contest of Cultures in Colonial North America* (NewYork: Oxford University Press, 1985).
5. Calleo, David, *The Atlantic Fantasy: The U.S., NATO, and Europe* (Baltimore: The John Hopkins Press Ltd., 1970).
6. Carmoy, Guy de. *The Foreign Policies of France: 1944-68*, tr. Dlaine P. Halperin (Chicago: University of Chicago Press. 1970).
7. Chance, James and Ravenal, Earl C.eds., *Atlantis Lost : US-European Relations after the Cold War* (New York: New York University Press, 1976).
8. Durant, Will and Durant, Ariel, *The Age of Louis XIV* (New York: Simon and Schuster, 1963).
9. Dyker, David ed., *The National Economies of Europe* (London : Longman Group Limited, 1992).
10. Eichengreen., Barry, *Europe Post war recovery* (Cambridge : Cambridge University Press, 1995).
11. Featherstone, Kevin and Ginsburg, Roy H., *The United States and the European Union in the 1990s: Partners in Transition.* (London: Macmillan Press Ltd., 1996).
12. Furet, Francois, *In the Workshop of History.* tr. by Jonathan Mandelbaum (Chicago: University of Chicago Press, 1984).

13. George, Stephen, *Politics and Policy in the European Community* (Oxford: Oxford University Press, 1991).
14. Gladwyn, Lord, *De Gaulle's Europe or Why the General Says No* (Bristol: Western Printing Services Limited, 1969).
15. Hall, Edward T. and Hall, Mildred Reed, *Understanding Cultural Differences* (Yarmouth: Intercultural Press, 1990).
16. Harper, John Lamberton, *American Vision of Europe: Franklin D. Roosevelt, George F. Kennan and Dean G. Acheson* (Cambridge: Cambridge University Press, 1994).
17. Hargreaves, Alec.G. and Mckinney, Mark, eds., *Post Colonial Cultures in France* (London: Routledge, 1997).
18. Haviland, H. Field, ed., *United States and the European Community* (Pennsylvania: Haveford College Press, 1957).
19. Hernad, A. ed., *Integration Programme of the European Community and Chances for its Realization* (Budapest: Hungarian Scientific Council for World Economy, 1990).
20. Haffmam, Stanley and Kutromilides, Paschlis, *Culture and society in Contemporary Europe*, (London: George Allen and Unwin Ltd, 1981).
21. Jacobson, Harold Karan, *America's Foreign Policy* (New York : Random House, 1965)
22. Johnson, Robert H., *Improbable Dangers: U.S. Conceptions of Threat in the Cold War and After* (London: Macmillan Press Ltd., 1997).
23. Joseph, Franz M., ed., *As Other See Us: The United States Through Foreign Eyes* (Princeton : Princeton University Press, 1959).
24. Kirsanov. A., *The USA and Western Europe*, Tr. by David Skvisky (Moscow : Progress Publishers, 1975).
25. Kissinger, Henry A., *The Troubled Partnership : A Reappraisal of the Atlantic Alliance* (New York: Anchor Books, 1965).
26. Kulski W.W., *De Gaulle and the World: The Foreign Policy of the Fifth Republic* (New York : , 1966).
27. Lynch, Queen M., ed., *Culture and Community in Europe : Essays in Honor of Conrad M. Arsenberg* (New Delhi : Hindustan Publishing Corporation, 1984).
28. Landes, David S., ed., *Western Europe : The Trials of Partnership* (Toronto : Lexington Books, 1977).
29. Lerner, Max, *America as a Civilization* (New York : Simon and Schuster, 1962).

30. Mazey, Sonia and Newman, Michael, eds., *Mitterrand's France* (New York: Croom Helm, 1987).
31. Criffert, Michael, ed., *The Character of Americans* (Homewood) : The Dorsey Press, 1964).
32. Mckay, D.C., *United States and France* (Cambridge: Harvard University Press. 1951).
33. Milward, Alan S., *The Reconstruction of Western Europe 1945-51* (London: Methuen & Co. Ltd., 1984).
34. Mookerjee, Girija K., *France and the World* (Bombay: United Asia Publications, 1971)
35. Newhouse, John and others, *US Toops in Europe : Issues, Costs and choices* (Washigton: The Brookings Institution, 1971)
36. Paul James S., *The French in America 1888-1974. A Chronology and Fact Book* (Dobbs Ferry, NY: Oceana, 1975.)
37. Postan, M.M., *An Economic History of Western Europe: 1945-60* (London: Methuen and Co. Ltd.
38. Raj, Christopher S., *American Military in Europe : controversy over NATO Burden sharing* (New Delhi: ABC Publishing House, 1983).
39. Ronald, Ritchie S., *NATO: The Economics of an Alliance* (Toronto : The Ryerson Press, 1956).
40. Ruggie John Gerard, *Winning the Peace : America and World Order in the New Era* (New York: Columbia University Press, 1996).
41. Servan Schreiber, J.J., *The American Challenge*, Tr. by Ronald Steel (London : Hamish Hamilton, 1968).
42. Tint. H., *French Foreign Policy Since the Second World War* (London: Weidenfeld and Nicolson Ltd. 1972).
43. Tsoukalis, Loukas, *Europe, America and the World Economy* (Oxford : Basil Blackwell Ltd., 1986).
44. [Welland, Dennis, ed., *The United States : A companion to American studies* (London: Methuen & Co. 1974)].
45. Wiener, Jarrod ed., *The Trasatlantic Relationship* (London: Macmillan Press Ltd., 1996)
46. Wilson, Theodore A., *The Marshall Plan: 1947 – 1951.*

ARTICLES IN PERIODICALS

1. Art Robert. J., "Why Western Europe needs the United States and NATO" *Political Science Quarterly*, (New York) Vol. 111, no. 1, Spring 1996., pp. 1-40.
2. Bouwen, Werner and other, "CSCE and the Changing Role of NATO and the EU" *NATO Review*, (Brussels) Vol 2, no. 3, June 1994, pp. 21-24.
3. Brzezinski, Zbigniew, "Premature-Partnership" *Foreign Affairs*, (New York) Vol 73, no.2, Mar-Apr 1994, pp. 67-82.
4. Chopra, H.S. "US, Russia and Europe" *World Focus*, (New Delhi) Vol 7, no.6, June 1996 pp. 19-22.
5. Claes, Willy, "NATO and the Evolving Euro Atlantic Security Architecture", *NATO review* Vol. 42, no. 61, Dec 1994, Jan 1995, pp.3-7.
6. Cornish, Paul, "European Security : The End of architecture and the new NATO" *International Affairs*, (Moscow) Vol.72,no.4, Oct 1996, pp.51-69.
7. Diamond, Larry, "why the United State must remain engaged", vol. 40, no. 3, summer 1996, pp. 405-14.
8. Eagleburger, Lawrence S. and Barry, Robert L., "Dollars and Sense Diplomacy: A Better Foreign Policy for less money", *Foreign Affairs*, Vol.75.no.4, Jul-Aug 1996, pp.2-16.
9. Gnesotto. Nicole, "Common European Defence and Transatlantic Relations", *Survival*, (London) Vol.38,no. Spring 1996, pp.19-31.
10. Grant, Robert P., "Transatlantic Armament Relations under Strain". *Survival*, Vol.39, no.1 Spring 1997, pp.111-37.
11. Grant, Robert P. "France's New Relationship with NATO", *Survival*, Vol.38, no.1, Spring 1996, pp.1-18
12. Heisbourg, Francois, "European- American alliance: Valedictory reflections on Continental) drift in the post Cold War Era", *International Affairs*, Vol.68,no.4, Oct 1992, pp.665-78.
13. Hellmann, Gunther, "European Union and USA Need Broader Foundation: The case for a Transatlantic treaty" *Aussen Politik*, (Hamburg) Vol.45,no.3,1994, pp.236-45.
14. Hobrooke, Richard, "America, a European Power", *Foreign Affairs*, Vol 74,no.2,march/April 1995, pp.45-46.
15. Kartha, Tara, "Relevance of the NATO", *Strategic Analysis* Vol.16, no. 3, June 1993, pp.313-36.

16. Kaushik,R.P,"United States in the post cold War Era", *World Focus* Vol. 17,no.6, June 1996,pp.6-9.
17. Kinkel, Klaus, "NATO's Enduring Role in European Security", *NATO Review*, Vol 40,no.5,Oct 1992., pp 3-7.
18. Leicester, Graham, "From Dominance to Leadership: America's Place in the World" *Political Quarterly*, (Kent) Vol.67, no.I,Jan-Mar 1996,pp.36-45.
19. Leggold, Joseph, "United States and Europe : Redefining the relationship", *Current History*; (Philadelphia) Vol.90,no.539, Nov 1991, pp.35357.
20. Mead, Walter Russell,"United States and the New Europe: American Grand Strategy after the cold war" *World Policy Journal*, (New York) Vol.7,no.1,Winter 89-90, pp.35-70.
21. Menon. Anand, "From Independence to Cooperation: France, NATO and European Security", *International Affairs*. Vol 71,no.1, Jan 1995,pp.19-34.
22. Michael, Meimeth, "France and European Security", *Aussen Politic*, Vol. 42,no.2,1991, pp.152-61.
23. Mierlo, Hans Van, "West European Union and NATO: Prospects for a More Balanced Relation" *NATO Review*, Vol.43,no.2,Mar 1995, pp.7-10.
24. Milton, Charles, "France and the Renewal of the Atlantic Alliance", *NATO Review*, Vol. 44,no.3,May 1996,pp.3-16.
25. Miscambie, Wilson D., "Rejected Architect and Master Builder: Gerge Kennan,Dean Acheson and Postwar Europe", *Review of Politics*, (Indiana) Vol. 58, no.3, Summer 1996, pp. 437-68.
26. Moltke, Gebhrdt Von, "Building a Partnership for Peace" *NATO Review*,no.3, June 1994,p.3.
27. Pierre, Andrew J. "US and New Europe". *Current History*, Vol.89,no.550, Nov 90, pp.353-56,pp.391-92.
28. _____, "NATO, European Security and Transatlantic Relations", *Survival*, Vol.38,no.1, Spring 1996,pp,6-167.
29. Soulivein, Brigitte, "NATO's Role in the new European Security Environment", *strategic Digest*, vol. 2, no. 3, March 1992, pp.299-304.
30. Schmidt. Peter, "German Security Policy in the Framework of the EU,WEU and NATO", *Aussen Politik*, Vol.47.no.3, 1996, pp.211-22.
31. Serfaty, Simon, "All in the Family: The USA and Europe", *Current History*, Vol.93, no.586, Nov 1994, pp.353-57.

32. Sloan, Stanley, "Transatlantic Relations in the Wake of the Brussels Summit" *NATO Review*, Vol 42. No.2, April 1994, pp.27-31.
33. Smith, Michael, "Devil You Know: The United States and a Changing European Community", *International Affairs*, Vol. 68, no.1, Jan 1992, pp.103-20.
34. Taft, William H, "NATO role in Europe and the United States role in NATO". *NATO Review*, Vol. 40, no. 4, August 1992, pp. 14-19.
35. Triverton, Ceregrory F., "New Europe", *Foreign Affairs*, Vol,71,no.1, 1992,
36. Vohra, Sahdev, "US Foreign Policy since World War II" *Strategic Analysis*, Vol 19, no.4, July 1996, pp. 653-68.
37. _____, "United States and European Security", *Adelphi Paper*, (London) no.286, Feb 1994, pp.3-82.

ARTICLES FROM INTERNET

1. Agricultural Policy: <http://eur.pa.eu.int/pol/agr/en/mto.htm>
2. Cohen, Roger, "France will Return to NATO's Military Fold After 30 years Absence" <http://www.chron.com/vontent/chronicles/world>
3. Dale, Reginald, "There is no Anglo-Saxon Conspiracy" ; [file://A;\rd](file://A:\rd)
4. Moisi. Dominique, "America the Triumphant", <http://www.Tutls.edu/~gmitchael/p207/0208a.txt>

NEWSPAPERS

1. Business Week
2. International Herald Tribune
3. Le Monde
4. Le Monde Diplomatique
5. The Wall Street Journal
6. The Tribune