

Some major American companies are not as concerned as Canadian firms with Europe '92, and this is probably because of their role as prime contractor for major systems. Stanley Pace, Chairman and CEO of General Dynamics, in reply to a question on the impact of Europe '92 on the US aerospace and defence business said:

"I think it will have a larger impact on the US commercial business because there's a lot of trade back and forth that is won or lost in the marketplace. There are competent people in Europe to do industrial manufacturing and solid marketing, and so I think that how it evolves could have a significant impact on US industry. With aerospace we've studied it, the defence part of aerospace -- and that is so controlled by the government today except for the odd occasion -- we don't sell any defence aircraft overseas except as our government allows us to do and as government-to-government negotiations are completed. So, to a certain extent, that is a bilateral government controlled market. If we have a fighter or a missile or a weapon system that the Europeans want, today it takes a government-to-government agreement and after 1992, it will still take a government-to-government agreement."

INDEPENDENT EUROPEAN PROGRAM GROUP

The actions of the Independent European Program Group (IEPG) to establish in effect a "Fortress Europe" for defence programs have been considered as part of a review of Europe '92. It should be remembered of course that the IEPG and the EC are not synonymous. Both groups include the same major partners, but Norway and Turkey, which are part of the IEPG with the 11 other European NATO members, are not part of the EC. Further, Ireland is not in the IEPG or NATO, but is in the EC, and Iceland is in NATO but is in neither IEPG nor the EC.

The IEPG is a forum for promoting greater cooperation in armaments development among member nations. The Chairmanship of the IEPG passed from Spain to the UK on 1 Jan. 1989 for a two year term.

OTHER MULTILATERAL EUROPEAN GROUPS

There are other multilateral groups within Europe which should be included in any discussion regarding the EC's Europe '92 plans and whose direction and intentions may be relevant. Such a list would include the Eurogroup, the Western European Union and the European Free Trade Association. These various groupings within Europe do not have common membership and it is difficult to see how their objectives and policies can be implemented in concert with the broader EC Europe '92 directives.

The Eurogroup is an informal group which was formed, before the IEPG with the objective of strengthening European cooperation within the Alliance. Its membership is Belgium, Denmark, Germany, Greece, Italy Luxembourg, Netherlands, Norway, Portugal, Spain, Turkey, and UK. France is not a member.

Similarly, the Western European Union, (WEU) works closely with NATO on European security issues, although the member countries include France which is outside the NATO