

development in the interests of the security of the Community. Although not a Eurogroup member, Canada (as well as the U.S.) participates in some Eurogroup activities and is still active in the Euro-NATO Joint Jet Pilot Training Program.

Of all the previously mentioned groups, the IEPG is the most dynamic. The IEPG is, however, outside the formal structure of NATO and overlaps the responsibility of the Conference of National Armaments Directors (CNAD), minus Canada and the United States, as well as Eurogroup. The way the IEPG operates provides both the political and the technical will to translate armaments collaboration objectives into realistic and feasible co-operative programs.<sup>79</sup> IEPG member countries have agreed on the implementation of certain principles to establish a base for the defence common market.

The cornerstone of developing a common defence market is the opening of public procurement markets in IEPG countries that are EC Member states. It is therefore expected that measures aimed at increasing market transparency will be implemented. These measures include the systematic publication of invitations to tender originating from member countries, the establishment of a registry in each country for all potential suppliers who wish to tender on eventual offers and the harmonization of invitations to tender and of tendering procedures.

It is unlikely, however, that common measures concerning tendering procedures will be adopted for several years, considering the complexity of the task at hand and the particularly sensitive character of the defence industry. Registration of certain companies as potential suppliers in another member country should be a relatively simple procedure given the attempts at harmonization of tendering procedures; however, this has proven more complex than expected because some countries have much more restrictive requirements than others.

Included in the discussions on how to implement a common defence market, there is also discussion of "juste retour" (balanced trade), a concept that is central to the creation of a single defence market. In this concept, the principle of economic compensation takes on a new form, which is perhaps not likely to promote transatlantic

co-operation in the defence sector. The idea of "juste retour" would constitute an integral element of the principle of fair distribution of development programs between industries of the various IEPG member countries.

The idea is to attempt to reach a balance of equilateral exchanges between each member country, and, if necessary, to compensate for the imbalances by encouraging companies, perhaps by means of financial aid, to participate in contract fulfilment with the main tenderer. This approach requires the development of a mechanism that allows a quantitative analysis of exchanges between IEPG member countries on a comparable basis and the establishment of both an acceptable level of disequilibrium and a time frame within which to correct this imbalance. It must be noted, however, that aside from this method correcting the imbalances, certain IEPG member countries would perhaps be more in favour of an interventionist approach, limiting competition with IEPG countries with which they would have otherwise positive exchanges. A clause allowing dispensation of this principle where matters of national interests are concerned is also expected.

Whatever the case, the principle of "juste retour" would promote co-operation between companies from IEPG member countries, and one could question whether it would not therefore make it difficult to increase exchanges between European and Canadian companies.

In addition to measures aimed at harmonizing offer and tendering procedures, the IEPG plans to establish a system of information exchange with regard to technology and expertise, to increase the possibilities of multinational R & D collaboration and to rationalize the expenses. The implementation of research and technological programs are also planned.

Steps taken by the IEPG concerning the European defence market regarding the provision of information have been the publication of an official defence markets bulletin and the creation of agencies within each member countries to disseminate the information and oversee registration of suppliers. The approval of criteria for awarding offers is imminent, but the modes concerning technological transfers and the notion of