

validity of some of these standards. However, just as certain American environmental standards were introduced and then were consequently imposed by European countries, it is possible that some of these European standards are premonitory of upcoming trends in North America.

In the case of the Television Without Frontiers Directive, fixed quotas of EC content are generally less restrictive than national laws or practices in the large EC countries.¹⁷ It is clearly in the interest of non-European producers that these quotas be as low as possible, if not entirely eliminated. From the perspective of these producers, it would be legitimate to campaign against "European protectionism" since the Directive prevents them from using a small country -- with no national production to speak of and, therefore, no barriers -- as a kind of Trojan horse to spread into the rest of the EC. Even in this regard, though, the new Directive translates into a tendency towards reducing and not raising barriers, even if this reduction is considered to be insufficient from the American point of view. The EC position vis-à-vis Japanese automobile makers creates similar conflicts.

With regard to European standards and regulations, a final point deserves to be emphasized. The introduction of new European standards that differ from North American standards changes power relations in international standards and could, therefore, lead to some legitimate concerns. A European standard, as opposed to an isolated British, German or French one, has a greater chance of being imposed as an international standard. It is therefore in the interests of North Americans that these new European standards be as similar to their own as possible. Adapting North American products to the European market would then be less difficult and costly, and risks of EC standards being imposed internationally would be diminished.

These points justify the vigilance of North American public authorities and professional associations with regard to this process of elaborating European standards. The Europeans, however, maintain that they want to be open. To this end, they have offered to regularly inform non-EC countries of the work of the main European standardization bodies by making early drafts available to them for comments. These standardization organizations are the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC) and the European Telecommunications Standard Institute (ETSI).

The Rising Strength of European Companies

European officials have made no bones about the fact that because European firms are initially weaker than American or, in some sectors, Japanese firms, Europe 1992 is intended to primarily benefit and strengthen these European firms. The strengthening of European technological potential has been actively encouraged through European R & D programs. When it was in their power to do so, European authorities actively pushed towards European grouping of companies. The fact that controls on intra-EC mergers and acquisitions have relaxed while controls on extra-EC operations have remained unchanged encourages developments to continue in this same direction.

Large American firms, rightfully sensing that the reinforcing of European competitors represented a danger, applied pressure to take part in the restructuring.¹⁸ The furor surrounding "Fortress Europe" was partly a reflection of this pressure and an illustration of the challenge that Europe 1992 might represent for large firms in non-EC countries.

Although the problem of stronger EC companies is real, it must be brought into perspective. As seen in the preceding section, international¹⁹ mergers and acquisitions in the EC have also greatly increased since 1985, parallel to EC