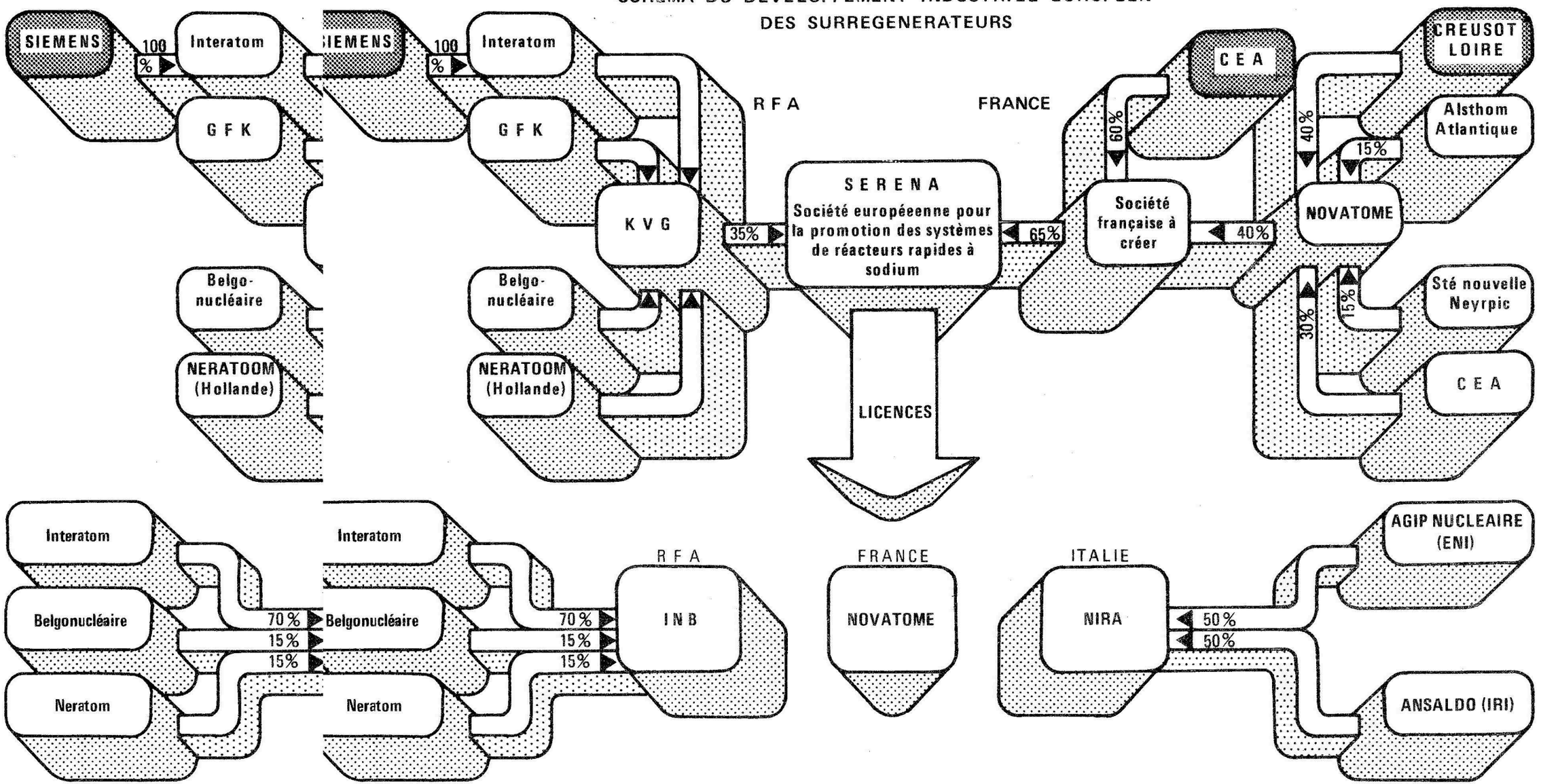
SCHEMA DU DEVELOPPEMENT INDUSTRIEL EUROPEEN DES SURREGENERATEURS



Opening Statement Page/ 1 on "Military Standardization"

by J.L.P. le Rohic.

1. As we all know there is very little standardization in NATO; this regrettable state of affairs not only means a tragic loss in fighting capacity, but has also lead to a critical situation in defence industry, as existing development and production capacity is being used in an inefficient way.

2. NATO Europe has procured defence equipment 6 to 10 times more from the United States than vice versa. This inbalance is not acceptable to Europe and a solution for this "two way street" problem is urgently required.

3. In 1973 NIAG, the NATO Industrial Advisory Group, wrote a paper called "Obstacles and Recommendations". This paper listed the obstacles to improvement in NATO procurement and made proposals to overcome these obstacles. Looking back, it is rather remarkable that NIAG already then proposed an organisation similar to what later became the European Program Group, which was started in 1976.

4. The study "Obstacles and Recommendations" undoubtedly was a very good study. In fact it was too good for its time and its suggestions then did not get the attention they deserved. At present the time may be ripe for it and the NIAG-paper, which has lost nothing of its validity, is the basis for one of the new NATO Task Groups being set up, to study the same problems again.

5. Many now believe that the two-way street problem can only be solved if a reasonable balance is achieved between NATO Europe and the United States when buying defence equipment from each other. This solution was first mentioned by Mr. Callaghan, now chairman of this session, in what later generally became known as the "Callaghan Report".

6. A balance between NATO Europe and the United States! However, there was no such thing as an organized NATO Europe, until in April 1976 the European Program Group was formed.
European defence industry meanwhile tried to organize itself in the European Defence Industry Group, EDIG, so as to offer its services to EPG for the realisation of its goals.

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European defence industry meanwhile tried to organize itself in the European Defence Industry Group, EDIG, so as to offer its services to EPG for the realisation of its goals.

7. In my personal opinion EUCI itself must take the initiative to form consortia, groups or otherwise so as to enable those projects which are now being studied by the EPG.
Furthermore industry should jointly work out plans for new projects, which can then become EPG projects.

8. Only when Europe, through the IEPG and its organisations of which an important one should be EUCI, gets itself organised, the two-way street problem can be solved so as to

a. strengthen the Atlantic Alliance

b. improve the efficiency of NATO defence industry, especially the European defence industry.

9. Naturally one can ask :

Why should the American defence industry, with the present procurement balance strongly in its favour, support the creation of a balance for the two-way-street ?
I think the answer is simple. Europe cannot and will not accept the present imbalance.
It has the technology, the capital and the capacity to develop and produce all-European solutions.
Naturally this would result in :

a. duplication of effort

b. unnecessary high cost.

However, Europe might very well be willing to accept that, especially in view of the present employment situation.
American industry should, therefore, cooperate in achieving the two-way street balance, from which United States industry can only profit in the long run.

Panel C
J L P Le Mahe

OPENING STATEMENT

1. This conference has as its basic theme"Technology transfer in industrialised countries".

   This special panel will discuss the following question :

   "What should be the role of government and the nature of government policies for stimulating technological innovation in industry?"

2. The following statement may possibly be used as a basis for our discussion:

   a. Transfer of technology in itself, without practical application, is a sterile operation.

   b. Defence technology transfer has only sense if that technology :

      b.1. is being applied in developments and production;

      b.2. is leading to production and further development on a continuity basis.

   c. Defence technology has an spin-off effect on civil industry. Defence industry therefore has a "spear-head" function.

      Governments should therefore make their policy for defence industry part of their overall industrial policy.

   d. Unfortunately there is no general rule how governments could stimulate technological innovation as the position of defence industry varies from country to country.
      In some NATO countries defence industry is (partly) state owned; in others it is (partly) state controlled; whereas in yet other countries it is purely private industry, with some or without any government support.

   e. There is enormous competition between NATO defence industries in many cases with direct marketing support from their national government.
      Apart from other well known reasons, this is one of the main obstacles to improvement in standardization in NATO.

      Under these strong competitive conditions technology transfer is not always attractive as it really means giving assistance towards creating potential competition.

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      Under these strong competitive conditions technology transfer is not always attractive as it really means giving assistance towards creating potential competition.

f. NATO coordination for defence production can only be achieved if NATO governments have the strong political will to achieve this coordination by standardisation in whatsoever form.

g. There is no doubt that US defence industry is leading in broad technology. There is also no doubt that NATO Europe has bought defence equipment from the US 6 to 10 times more than the US has bought defence equipment from Europe.
This inbalance can only be overcome if :

1. NATO Europe organizes itself and creates a common defence policy and achieves industrial cooperation within Europe in the defence field.

2. The US are prepared to solve the "two way street" problem so as to achieve a reasonable balance, amongst other things by cancelling the "Buy American Act".

h. The European Program Group, strongly supported by the European Defence Industry Group, can make an important contribution towards the solution of the "two way street problem" and towards strengthening NATO.
Only when this fundamental problem has been solved, the climate will exist in which defence-technology transfer can flourish to mutual benefit of NATO defence industry on both sides of the Atlantic, as only then it can be followed up by production and further innovation.