

Industry and energy seminar  
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Prime Minister  
Gro Harlem Brundtland

#### NORWAY AND EUROPEAN COOPERATION.

It is a great pleasure and honour for me to speak before this distinguished assembly on Norway and European cooperation. We are here in Düsseldorf in the heart of the Europe once united by Charlemagne, the Europe of coal and steel, where the ideas of Robert Schumann were applied and once and for all settled Franco-German rivalry and laid the foundation for future European cooperation. This is also the heartland of the social dimension of Europe, of "Montanmitbestimmung", which has so decisively influenced relations between the social partners in all of Europe.

The significance of the Federal Republic as a driving force in European integration, its status as the world's third largest industrial country and foremost exporting country clearly speak out for the importance of the Federal Republic as a major cooperation partner for Norway. I expect our relations to become even more important as we enter upon a more dynamic process towards the realization of a broader European Economic Space.

The reasons why this has to be so are cultural, economic as well as political;

I cannot possibly do justice to our cultural ties here today. The seminal importance of centuries of interaction and exchange cannot be underestimated.

Economically, Norway is an important supplier of goods and services which the Federal Republic import such as energy, metals, chemicals, information technology and transport services, and I will not even attempt to list the range of products, not least the manufactured products, that we in turn buy from you.

Let us recall, too, how in the seventeenth and eighteenth centuries, periods of prosperity in Norway coincided with the arrival of German tradesmen who settled in our country.

#### A Period of Change and New Opportunities

The present dynamic process of European integration is taking place in a rapidly changing world. As we approach a new decade, the nations of the world can look ahead with more hope and greater expectations for the cause of peace and security. The improved relations between the United States and the Soviet Union are opening up new perspectives and fostering new ambitions for international cooperation. After years of stalemate and decline, there is progress in the fields of disarmament and security,



progress with regard to many regional conflicts, and new hope in multilateral cooperation.

But while the 1980s may go down in history as a decade of genuine progress for international peace and security, it has also been a decade of lost opportunities for the Third World. Mass poverty, bleak economic prospects and a devastating debt burden in the South are paired with economic imbalances between major nations in the North.

In this overall global picture, the ongoing dynamic progress towards closer European cooperation offers vast perspectives, not only for Europe itself but for the whole world. We all need a stronger Europe, and we need to realize Europe's full potential.

Our Norwegian vision is one of a Europe which can safeguard vital Norwegian, European, Atlantic and global interests. We have a vision of a Europe with full employment, with high-quality social and environmental security, with improved and equal educational opportunities, with cultural and scientific exchange and of responsible international cooperation and leadership.

This is the Europe to which Norway belongs. We Norwegians are a European people. Our history is European history. Our culture is European culture. And our form of government is fundamentally European.

#### Norway in Europe. Growing Interdependence

Norway is closely linked to the countries of the Community in political cooperation and we are allied in defence within NATO. Our economies are interwoven in a growing interdependence. From a Central European perspective Norway is no longer a peripheral country. We are an integral part of the Europe that stretches from the Atlantic to the Urals, as we are part of the Europe that stretches from the Spitzbergen archipelago to Sicily, from the Barents Sea to the Mediterranean.

Norway occupies a unique geopolitical position on the northern flank of NATO, bordering on the Soviet Union. The defence of Norway and of Central Europe are closely connected. The one depends on the other.

Our common security interests depend on active support from our alliance partners in Europe as well. In this connection we welcome the decision of the Federal Republic to participate in the recently established NATO composite force which has been earmarked for Northern Norway.

We are truly interdependent politically. Still Norway is not a member of the EC, and we are often asked why this is so.

Following the referendum on membership of the European Community in 1972, Norway concluded trade agreements instead of joining the Community. On this basis, Norway has taken part in the process of economic integration in Western Europe, in which the Community has been the driving force.



Today, the Norwegian economy is tied even more closely to the European Community than it was in 1972. Two-thirds of our exports go to the Community, which is also where half of our imports originate. The Internal Market is also Norway's market. In fact, a higher percentage of our total trade is with the European Community than is the case for many Community countries themselves.

Norway's vast petroleum resources have added new dimensions to our cooperation with Europe and with the Federal Republic.

Our total exports of natural gas go to buyers in the Community, satisfying 11% of the Western European demand. Approximately one-fourth of our gas exports in 1987 went to the Federal Republic, which is one of the most important energy markets. The Troll/Sleipner gas agreement represents an important, long-term contribution to Europe's energy supply and energy security. Under this agreement, the Federal Republic will receive more than 8 billion cubic meters of gas per year for 20 years from 1993. Norway has the political desire and resources necessary to further increase deliveries of natural gas to the Community on a long-term and reliable basis.

Our proven reserves of natural gas constitute about half of Western Europe's reserves. At today's level of production, these reserves will last for about 100 years.

As for oil, two-thirds of our exports go to countries in the European Community, which are in turn important suppliers to our offshore industry. In terms of value, countries in the Community supplied almost a third of the total goods and services delivered to Norwegian off-shore petroleum activity last year. West German companies' deliveries to our continental shelf amounted to 900 million Norwegian kroner last year.

Oil companies of Community countries have important operative tasks and they have substantial economic interests in Norwegian oil and gas fields. They have made important technological contributions to the development of our offshore resources. Deminex has participated in every licensing round in Norway since 1977, and from become an oil producer in Norway next year. We are particularly pleased by the wide range of activities Deminex has undertaken in Norway and the way that the company has become an integral part of economic life in our country.

Norwegian petroleum resources will continue to be of both economic and strategic importance to the European Community. They will undoubtedly stimulate cooperation in areas outside the energy field, strengthening the economic and political links between Norway and Community countries in a long-term perspective.

The Norwegian public is becoming increasingly aware of the importance of European issues and cooperation. For young Norwegians, the European continent is closer than ever before. In Norway, we speak of the "Interrail generation", young people who in the decade and a half following the referendum have travelled



Europe by train. They are young Europeans who early in life have developed a European consciousness and identity.

Rapid technological developments and the new media raise the issue of how Europe can defend her cultural identity. This is also of concern to Norway. We encourage further European cooperation in the cultural sphere, as we do in the economic and technological field.

The task before us in the coming years will be to concentrate our national efforts on meeting the specific challenges involved in the implementation of the Internal Market as constructively as possible. Those efforts would be undermined should we instead fall into the trenches of the 1972 membership debate that so severely split our nation.

Our policy approach to the challenges of European integration is to lay the foundation for a new domestic awareness of the European dimensions of our national interests. The Government, supported by a broad majority in Parliament, firmly believes in pursuing a policy towards Europe which can enjoy the widest possible support in Norway.

We see three major dimensions in the Community integration process: The completion of the internal market, the strengthening of the scientific and technological basis for European industry, and the European Political Cooperation.

We are facing the same challenges of global competition as you are. As Europeans we share the same economic and political challenges. Therefore we view the process towards a unified internal market and the new emphasis on science and technology as important, not only for the EC, but for all of Europe. Thus, we seek to adapt to the internal market and to participate actively in the ongoing cooperation in science and technology. Norway's ambition is to cooperate actively with the European Community to the greatest extent possible within the present political framework.

This is not an attempt to enjoy only the advantages of Community cooperation. Norway wishes to be a responsible, contributing partner in European cooperation. We wish to see the European Community succeed in creating a dynamic market. And we wish to take an active part in that process, promoting the best possible Norwegian participation in the Internal Market, both by adapting to new market conditions and by seeking to influence the process itself.

A central objective is to ensure that there are optimal conditions for Norwegian industry to cooperate actively with European industry and participate in a dynamic process of economic development.

Norwegian industry must make independent efforts to seize new commercial opportunities in a changing European market. Their efforts will determine the extent to which our policy will succeed in practice.



Our policy is to further Norwegian interests at three levels: Bilaterally with the Community and member states, multilaterally through cooperation in EFTA, and through our strong and traditional channels of Nordic cooperation. Our general policy of adaptation to new market conditions will not be discouraged by cases that may arise in which our own national priorities and interests do not coincide with those of the Community and in which Norway will choose national, Nordic or EFTA solutions.

This policy approach received wide political support across party lines when our Parliament debated the Government Report in June. Broad support was also given to the policy of cooperation within EFTA and to the ongoing cooperation between EFTA and the Community with a view to creating a European Economic Space.

A Europe of freer circulation raises the question of values. What kind of Europe do we want to create? In a world of rapid technological change, we need to protect and preserve our living and working conditions. An efficient market certainly relies on efficient people, but efficient people rely on social and environmental security.

"The Social Dimension" is an important issue in the EC debate. Many have noted that a "Social Dimension" has been the key to the Scandinavian model of equality, solidarity and full employment. We do not view these values as barriers, but as conditions also for making Europe competitive.

I have been particularly pleased to see the point made on several occasions by the Federal Government concerning stricter environmental regulations and further development of the social aspects as part of the integration process.

#### The EFTA Dimension

Cooperation within EFTA is a crucial factor in the dynamic integration process taking place in Europe. The meeting between EFTA and Community ministers in Luxembourg in 1984 added new perspectives to the role of EFTA. Progress is being made towards our common goal of establishing a dynamic and homogeneous European Economic Space. The European Community is EFTA's most important market. The reverse is also true, which is often forgotten. Surprising to many, EFTA is a larger market for Community exports than the United States and Japan combined.

The economic importance and geographical proximity of EFTA countries underscore the logic of strengthening a balanced cooperation to our mutual benefit. The Community has clearly and repeatedly expressed the wish to negotiate with the EFTA countries as a group. We clearly have a common interest in intensifying the cooperation between our two organizations.

The dialogue between EFTA and the Community covers important areas of cooperation. EFTA is now discussing a work programme for cooperation with the Community in priority areas.



Norway will actively support a continuing process of cooperation between EFTA and the European Community. Greater efforts should be made to approach new areas of cooperation on this multilateral basis, and results should be well-balanced with rights and obligations for both parties.

Norway will assume the chairmanship of EFTA on 1 January next year. We have invited the Heads of Government of EFTA countries to Oslo in March for a summit meeting. We shall discuss the broader political and economic aspects of European integration and how EFTA can contribute most constructively to this process. During our chairmanship of EFTA, we look forward to close cooperation and contact with the parallel Spanish chairmanship of the Community.

We see the position of the Federal Government as particularly helpful in this process. In Copenhagen earlier this month Minister Martin Bangemann reiterated that the relations with the EFTA countries have a special quality in the EC's relations with third countries. He underlined that arrangements with EFTA countries must be sought parallel to the realization of the internal market. We will look forward to working with the Federal Government, with Mr. Bangemann and with the Commission on this basis.

#### The Voice of Europe in International Affairs

As a result of the successful coordination of positions within the European Political Cooperation, the voice of the European Community is increasingly making itself heard in international affairs.

We value the contact arrangements which under the German presidency have been formalized between Norway and the European Political Cooperation. The close dialogue which has been established keeps us informed of Community thinking and decisions, and gives us an opportunity to make our Norwegian views known also before Community decisions are made. Given our geostrategic position, our partnership in NATO and our contribution to the security of energy supplies in Europe, we are confident that it is also in the interests of the Community to have an active dialogue with Norway.

Post-war Europe has seen conflict in ideological, political and economic terms. We have had peace, but peace in the shadow of nuclear armaments. The most powerful military alliances in the world still face each other in a state of constant preparedness across the East-West divide in Europe. This East-West dimension has coloured our political perceptions and made itself felt also in regional conflicts far from the dividing line that still runs through our Continent.

For a long time the tensions between East and West threatened to overshadow Europe's indivisible identity and cultural unity. The Federal Republic played a special and constructive role in establishing a new basis for detente in the 1970s through the agreements with East-European countries, and has again been



catalytical in the process of new dialogue across the East-West divide.

De Toqueville's prediction more than 150 years ago that the United States and the Soviet Union would in time become the two dominant world powers came true. However, the post-war bipolar world has yielded to a multipolar one.

Past distrust must be replaced by cooperative strategies in regional and global contexts. Arms control and disarmament measures must include a political process of detente as well as dialogue and cooperation in the spheres of economy, technology, ecology, cultural affairs and human rights. Europe can make a major contribution to progress in these fields.

Through bilateral contacts and constructive participation in the Helsinki Process, Europeans can strengthen cooperative structures in Europe and provide new impetus to cooperation on a broad basis. The Joint Declaration of the European Community and COMECON, signed in June this year, opens up encouraging perspectives for European cooperation across East-West barriers.

#### Cooperation to Protect the Environment. A Necessity.

We all face environmental challenges that defy national boundaries, challenges that can only be met through closer international cooperation. And the Noordwijk Declaration confirmed that EFTA and the EC can usefully cooperate, also in this field.

The Chernobyl accident, dying forests and polluted waters, heating of the atmosphere and the threat to the ozone layer all testify to the need for cooperation and concerted action to protect our environment in a European and a global context.

It is in the Western industrialized countries that many of the world's environmental problems originate. We use more energy, consume more raw materials and cause more pollution than any other region. We must therefore redouble our commitment to sustainable development, nationally, in regional organizations as well as globally.

It is also in European industrial centres that our future can be spearheaded. From here emanate technological innovations and new industrial processes which will shape the future.

Environmentally sound technology can unquestionably be a competitive edge for European industry as it moves towards the 1990s and beyond. We must inspire, support and when necessary direct action to protect the environment, locally, regionally as well as globally.

Strengthened cooperation on the issues of environment and development should fuel Europe to successfully assume the role and strength it can and should have.

Admittedly, however, it is presently in the industrialized countries that 98% of today's dangerous industrial waste is



produced. We are still lacking adequate binding international regulations in this field. Many developing countries are concerned with the risk of becoming a dumping ground for our industrial excesses. The recovery, control and safe storage of such waste should satisfy the same strict requirements, regardless of where it is produced.

The Federal Republic and Norway are united by the North Sea. We depend on it, and we share a common responsibility for it. Its resources must be managed on a sustainable basis. We cannot allow it to serve as a dumping ground. Most countries now seem to accept the principle of precautionary action and the fact that emissions of pollutants must be strictly limited. We owe it to ourselves and to coming generations.

#### Energy, Environment and Economy are Interrelated

Energy production and uses are crucial to social and economic development. They are also a source of our most serious environmental problems. Indeed, energy, environment and economy are interrelated fields. This calls for policy approaches that take due account also of these interdependences.

The economic growth which we need must be less energy intensive than the growth of the past. A low energy future is our only real option. Energy efficiency must become the cutting edge of national strategies for sustainable development. Large-scale research in the development of renewable resources is called for. Prices must encourage energy pathways that are dependable, safe and environmentally sound.

We need a more assertive European role in international cooperation. Our efforts to meet global challenges must be based on a European vision of the future. We have a long-standing tradition of working towards a society that can satisfy the material, cultural and social needs of all our citizens. Economic growth is necessary to secure the fullest possible employment, where jobs are stable and meaningful, and where industry and labour, the centre and the periphery, join hand in hand.

It is indeed in our wider European interests and it is our responsibility, not only to promote improved relations between East and West, North and South, but also to exercise leadership in the effort to achieve a better organized world community. The true potential of European creativity, versatility and political tradition can and must be released.

I am certain that the the Federal Republic, inspired by the same vision and courage which launched the European Community more than 30 years ago, will make an enduring contribution to the hard work which lies ahead as we look towards the future and the next millennium with confidence and hope.