

The National Press Club

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Prime Minister

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International challenges and opportunities

Ladies and Gentlemen,

Let me start by outlining the issues that have been in the focus of my meetings with the President, Secretary of State Baker, and other members of the administration, Capitol Hill and the international finance institutions located here in Washington.

Primarily, and naturally, we have discussed the most important issues to be dealt with at the coming NATO Summit, negotiations with the Soviet Union and the overall policy of the Alliance in the 1990s. We have discussed regional issues such as Central America and we have been preoccupied with the environment and development challenges in the next decade and the next century.

The overall political picture, however, is this: As we face

the turn of a decade, we can do so 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 for international cooperation. After years of stalemate and decline, there is progress in the field of disarmament and security, progress with regard to many regional conflicts, and new momentum in multilateral cooperation.

But while the 1980s may go down in history as a decade of considerable progress for peace and security, it has been a lost decade for the Third World. We continue to live in a world where abundance exists side by side with extreme need, where waste overshadows want, and where our very existence is in danger due to mismanagement and overexploitation of the environment.

In this overall picture, the ambition of the NATO Alliance which should come out clearly at the Summit later this month, should be to shape a new political order in East-West relations, based on today's interdependence and tomorrow's concern rather than on conflicts and divisions of the past.

Our alliance and our democratic societies have the moral and material strength to meet the challenges of building a more secure, cooperative, stable and open relationship between East and West. As prosperous, free nations we have little to fear and much to gain from international cooperation and

negotiation.

The process of change and reform in the Soviet Union represents a unique opportunity to make further progress. We cannot rule out the possibility of a setback in East-West relations. However, we should encourage and stimulate progress towards a more cooperative order and provide incentives for the Soviet Union to work with us. We cannot decide or determine the course of events, but we can actively influence them.

We are all with great interest and with renewed hope following how Gorbachev is carrying forward the historic restructuring of Soviet society, changes that in our view are in the process of becoming irreversible. We wish Gorbachev success. The outcome of his policy will affect us directly.

We must support the forces working in favour of economic and political reform in the Soviet Union and in other East-European countries.

At the forthcoming meeting in Brussels this month of NATO's heads of state and government, we should make clear our commitment to pursue this course.

No issue and no weapons system, including SNF, should as a matter of principle be excluded from the agenda of East/West negotiations, but such negotiations including the decision on

when they should start, must be seen in conjunction with progress in reducing the Soviet superiority in conventional forces. This is also what came out of as a NATO position two years ago at the meeting of Foreign Ministers in Reykjavik.

In the foreseeable future, the Alliance will need the credible mix of conventional and nuclear weapons on which its strategy is based. This was clearly reaffirmed in the declaration from the last NATO summit last year. Recent comments on the SNF issues have taken for a fact that if we start negotiating, the outcome of negotiations will come out of our hands. I cannot subscribe to this analysis. We ought to be more self confident about our own ability to decide and to handle the issues. It would be logical that lower levels of conventional forces are paired with equal and lower levels also in other categories of weapons. We should not make the unqualified assumption that lower levels will ultimately mean the lowest level. And we should not be seen to fear negotiations or our own willingness to take care of our own interests.

Our conventional forces face superior numbers on the other side. The Soviet Union will have to make by far the largest reductions. Given a more stable situation with regard to conventional forces, how can we say with conviction that equal and lower levels also in the field of SNF is less advantageous to the Alliance than the present situation when western SNF forces are outnumbered by about 1 to 14?

Negotiations and new agreements on lower levels of armaments hold out the perspective of changing and improving the security landscape of Europe. We can gradually foresee a reduced role for the military, new openings for political solutions and widening cooperation in broad areas of mutual interests.

The East-West divide must become more permeable, and confrontation yield to cooperation. The East-West confrontation binds and deviates resources from the real global challenges, such as the persistent and increasing mass poverty and the threats to the global environment. I believe that the pressing environmental issues can serve as a catalyst in a process towards more cooperation and less confrontation.

Many of the environment and development problems cannot be solved within the confines of the nation state, nor by maintaining the dichotomy between friend and foe. We must increase communication and exchange, and cultivate greater pluralism and openness.

We need a Global Economic Consensus for Growth in the 1990s. It must observe ecological constraints. There are no sanctuaries on this planet. If the next decade is to be truly a decade of response to the serious problems which confront the world, the issue of sustainable global development must receive special, and urgent, attention.

It is time for a global economic summit to launch a new era of international cooperation. Issues like the debt crisis, trade matters, resources for the international financial institutions, harnessing technology for global benefit, strengthening the United Nations system, and specific major threats to the environment such as global warming, are becoming increasingly interrelated. Would it not be appropriate to consider both our economic and our environmental concerns together at such a summit, given the critical links between the two?

Apathy and indecision are dangerous enemies. My friend Bill Ruckelshaus, who served with me on the World Commission, once told us a story about a pollster who asked a passer-by the following question: what is as the gravest threat to the nation's future, - Ignorance or apathy? The answer was "I don't know and I don't care". The fact is, and it is of concern to us all: We have to know and we have to care.

The threats of global heating and climatic change may be the eye-opener to the fact that our future contains threats that can be compared only to the threats of nuclear war. Life on earth depends on the climate. Human settlement, food production and industrial patterns are at stake.

The present generation will have to set limitations on our own use of limited resources, in particular on the burning of fossil fuel. The industrialized countries, not least the

United States, will have to adopt energy policies aimed at reductions of CO2 emissions. Energy prices will have to be increased. Economic incentives generally must be used to reduce the burdens of waste and pollution and to promote sustainable development.

We should speed up our efforts on international agreements to protect the atmosphere. I urge that negotiations to limit emissions be started immediately

One week ago the Norwegian Government adopted a White Paper on the follow-up of the World Commission's report. It has involved all ministries and it has implied tough challenges for the heavy sectoral ministries such as energy, industry, transportation finance, foreign affaires and trade, and the Prime Minister's Office has been engaged directly in charting a cross sectoral course for the future.

The issue of atmospheric pollution and climatic change proved to be a very difficult because of the fact that Norway has been fortunate to have vast hydropower resources. We do not burn coal or oil to produce electricity. Any per-centage-wise reductions of CO2 emissions in Norway will involve transportation.

The Norwegian Government has chosen to set out clear goals although we are in this difficult position. I believe we are the first country to make a political committment for

reductions of CO2 emissions. We urge other countries to follow.

Norway will stabilize emissions of CO2 in the course of the 1990s and at the latest by the year 2000.

The Government considers that subsequently, a reduction will be possible.

Together with our reductions of CFCs and NOx, Norway will be able to reduce total emissions of greenhouse gases by the turn of the century.

Clearly, the larger ecological issues, the ozone layer, global warming and the sustainable utilization of the tropical forests -are tasks facing mankind as a whole. To finance policies in these areas, we do need additional resources.

In the White Paper, our major policy document on sustainable development, the Norwegian Government is proposing, as a starting point, that industrialized countries allocate 0.1 per cent of GDP to an International Fund for the Atmosphere. Such a Fund should be created to help finance transitory measures in developing countries, and reforestation projects. Ideally, all countries should take part in this endeavour.

The interrelationship between energy, environment and economic development calls for policy approaches that take due account



also of the interdependence of nations.

The World Commission on Environment and Development has pointed out how important oil prices are to international energy and environmental policy. It recommends that new mechanisms for promoting dialogue between producers and consumers be explored.

Norway has proposed to start a new dialogue on energy issues. We have proposed a meeting of governmental leaders of oil-exporting and oil-importing countries to assess the resource situation and market perspectives as well as environmental and climatic effects.

Greater contacts and deeper mutual understanding between oil-exporting and oil-importing countries can promote stability and predictability in the international oil market, and thus encourage more long term economic, energy and environmental policies.

We are now pursuing these perspectives with a view to clarifying the basis for a constructive energy policy workshop of governmental leaders taking place.

We would like to see also the United States of America, with her important position in world energy and political affairs and with her traditions in promoting cooperative processes among nations, contribute actively to these endeavours for a

successful global energy policy dialogue.

We must do away with traditional images of confrontation that hamper rational behaviour and policy decisions also in the field of energy.

Norway is now regulating production at a level by 7,5 per cent below existing and increasing production capacity. We are doing this in response to OPEC measures and with a view to stimulating further and continued production restraint in and outside OPEC. This Norwegian contribution to efforts of other oil producers to stabilize prices at a reasonably higher level are unilateral in character, flexible in form and limited in time. We will cancel or adjust unilaterally our measures should developments and our interests call for it. Norway will certainly not take part in any oil market policy that threatens to disrupt the economies of our traditional trading partners.

Let me underline that Norway has the political desire and the resources necessary to contribute to the security of energy supply of our allies and trading partners on a long term basis. Stable oil prices at a reasonably higher level will ensure continued interest in exploration for and subsequent long term exploitation of petroleum resources in Norway as well as in other OECD countries.

Greater stability in the oil market with prices at a reasonably

higher level than what was the case some months ago, will be conducive to energy conservation and the development of more sustainable, alternative energy sources.

Sharply fluctuating prices not only hurt the economy of individual nations and distort economic relations between countries. They also create a climate of confrontation between consumers and producers as well as mistrust in a wider political sense.

Only a year ago, it would have been far from obvious, but indeed surprising if we had been told that environmental issues would be at the top of the agenda when the seven leaders of the most important Western industrialized nations met for their summit. The fact that this is now happening offers greater hopes that the time may be ripe for real global change. In the process ahead, it is quite clear that US leadership is vital. I have told the President how encouraged I am by his personal interest in the environment issues and his intentions to come forward also as the environmental president. Major decision to preserve the Earth from environmental decline will be costly in the short run, but these costs will be dwarfed by the costs of not acting.