

LUNSTALE I NORWEGIAN-AMERICAN CHAMBER OF COMMERCE,
MINNEAPOLIS, 16. FEBRUAR 1983

Mr. Chairman, ladies and gentlemen,

First, I would like to express, on behalf of my wife and myself, our heartfelt thanks for your warm words of welcome. It is indeed a great pleasure for us to be here with you in this venerable Norwegian-American Chamber of Commerce in Minneapolis, in the center of your great country and in the center of Norwegian-America. During our short stay in Minnesota we have been impressed by the similarity between your state and our own country: The terrain, the climate, the people, but also the way in which your state strives to promote the prosperity and the well-being of its people

the well-being of its people. In short: we feel very much at home with you all.

The ideas upon which the United States was founded more than 200 years ago still serves as an example to the rest of the world when it comes to the essential questions of freedom and democracy. When the Norwegian Constitution was written in 1814 its Founding Fathers embodied several of the main principles from the American Declaration of Independence. Norway and the United States are linked by a multitude of close ties ranging from economic and cultural relations to the fields of security and defence. But we are also linked by a common heritage and strong personal and family ties which have been forged across the Atlantic. Given the large number of Norwegian emigrants to the

Norwegian emigrants to the United States most families in my country have relatives in the United States.

The emigrants who left their homes in Norway sought a new existence in America with greater economic opportunities and more social equality. They brought to this country the traditions and values of their homeland: a yearning for equality, a strong sense of solidarity and loyalty and a tradition of honest and hard work. They also brought with them a deep love for the land and the people they left. The vital lines between those who left and those who remained were never ruptured.

Today's Norway is very much different from the country which the emigrants left. A new society has arisen from past poverty and injustice. Today, Norwegians are fortunate to enjoy

are fortunate to enjoy a high standard of living combined with personal freedom and security. At the same time, the basis for our national independence has been strengthened by our participation in the North Atlantic Defence Alliance and the security guarantee provided by the United States.

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During most of the post war years the Norwegian economy has shown a relatively high and stable growth. In more recent years, however, total output in Norway has levelled off. This is partly due to external factors caused by the prolonged slowdown in the international business cycle. But it is also true that domestic factors have led to a cost and price development which has adversely affected our position

adversely affected our position vis a vis our major trading partners and competitors. Since 1980 the relative contribution to our economy from the petroleum sector has also declined.

The structure of our foreign income is today somewhat different from that of most other countries: Only one third comes from the traditional exports of goods. Another third comes mainly from the service sector, with shipping as the largest single contributor. The remaining third refers to exports of oil and gas. I am sure that this audience fully realizes the uncertainties connected with the oil sector. Since petroleum represents between fifteen and twenty per cent of our gross national product, large shifts in oil prices will necessarily have a heavy impact on the overall economy.

As positive elements should

As positive elements should be mentioned a surplus on the net current account since 1980 and a reduction in the foreign debt. However, both the inflation and our unemployment are by far too high. The main targets for our economic policies this year will therefore be to reduce the level of inflation and to cope with the difficult employment situation.

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The petroleum activities are a relatively new element in the Norwegian economy. Offshore exploration of oil and gas presents us with considerable challenges and at the same time opens up great opportunities. There are obvious problems connected with the incorporation of a large and complex sector into an economy which is already highly industrialized, and

highly industrialized, and at the same time is limited in its size.

We have over the last years developed a considerable domestic capacity in the offshore sector. We will, however, also in future years be dependent on and interested in a close cooperation with the international oil companies, of which the most important have been American.

The Norwegian petroleum production represents a very small share of world production, roughly one per cent. At the same time Norway already today supplies some fifteen per cent of total Western European gas requirements. This corresponds to about forty per cent of the net gas imports to that region. We are, therefore, already today an important supplier of gas

an important supplier of gas to our allies in Western Europa. With the development of new fields, we will, within the limits of technical and economic constraints, be able and willing to increase present deliveries so as to become in the 1990's a supplier of substantial quantities of gas to Western Europe.

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While Norwegian gas exports go exclusively to Western Europe, about a third of our crude oil exports has gone to the United States. Norway has been trading with your country for centuries. Today, Norwegian exports, except oil, amount to some 400 million dollars annually, while our imports from you reached about one and a half billion dollars in 1982. On a per capita basis this represents for Norway

this represents for Norway about 400 dollars worth of US products, while you import about two dollars worth of goods from each of us.

The larger part of US exports to Norway are machinery, transportation equipment and high technology products, but farm products also account for a considerable amount. Forty per cent of Norwegian exports are raw materials, another forty per cent manufactured goods, while the balance is made up by fish products.

New products have been introduced in Norwegian exports in more recent years. These are high technology goods (computers, precision components, gas turbines, ship's gear) based on Norwegian engineering and know-how: products which are competitive because of performance and quality, rather than price alone.

quality, rather than price alone. Such exports often lead to the establishment of sales and manufacturing companies in the U.S. or a close cooperation with American manufacturers. This means that we accomplish industrial cooperation, an exchange of technology as well as more employment on both sides of the Atlantic, in addition to the pure export benefit. This is an important new trend in Norwegian exports, which has a potential for both growth and development.

There has been a notable growth in the number of Norwegian companies establishing subsidiaries in the U.S. Most of these companies are engaged in marketing, but there has also been a rise in the number of manufacturing firms.

American companies have

American companies have also played an important role in the industrial developments in Norway. Well-known companies from this area - like 3-M, Control Data, Honeywell and Northwest Airlines - are all very active in Norway. These companies bring modern products and services and represent an important element in the expansion and development of Norwegian industry.

Now - where do we go from here? I believe there is room for expanded trade between Norway and the United States - in spite of present economic problems. The current rate of exchange should also make Norwegian products quite competitive on the American market.

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Turning now to shipping

Turning now to shipping, I make reference to Norway's position as one of the world's leading maritime nations and for whom shipping plays a major role in the national economy. We are also cross traders, that is, our merchant marine carries the foreign trade of countries other than Norway. Thus, some forty per cent of our merchant marine is engaged in the transport of goods to and from the United States. This means that a substantial part of U.S. foreign trade is carried on Norwegian ships. On this background, you will appreciate our efforts in general to limit all tendencies to restrict market access through cargo reservation and other protectionist measures. On this background, you will also understand why we follow with particular interest the developments in U.S. shipping policies, and the review which it is presently undergoing. We hope that the carriage of U.S. foreign trade will continue

foreign trade will continue to be open also for Norwegian shipping companies to compete for, in line with the commitments of our two countries to adhere to non-protectionist policies and free and fair competition.

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Thus, the existing liberal trading system, a product of post World War II reconstruction, has served well in achieving its goals: growth, division of labour and full employment. As a result of economic crisis, and high unemployment, the system is presently under heavy strain.

The unemployment factor has no doubt been contributing to political crisis in several Western countries and if we fail to break the trend, we may be faced with a situation

faced with a situation which increasingly may affect the social and political stability in our societies.

The Norwegian Government is seriously concerned about the international economic and employment situation and outlook. Last month we, therefore, approached the Organization of Economic Cooperation and Development in Paris in order to initiate a concerted international action for economic recovery. It is a great challenge for the Western industrialized nations to agree upon specific coordinated policy measures. Clearly the United States, a main driving force in the world economy, is capable of playing and must play a key role if the necessary progress is to be achieved and mass unemployment is to be reduced. The size of the United States means that it must play a major part also in the

play a major part also in the efforts to bring about an economic upturn.

Economic improvement can only be reached by increased exchange of goods and services. To the benefit of all of us, we should do our utmost to keep the existing liberal trading system and to avoid trade barriers that do more harm to others than they do good to ourselves.

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Mr. Chairman, ladies and gentlemen,

In concluding, I would like to thank you once again for the warm words of welcome and for the cordial reception given to my

reception given to my wife and me. I have also appreciated very much your courtesy by giving me the floor and the opportunity to address this audience today. Thank you.