

Statement by Mr. Odvar Nordli, Prime Minister of Norway
The National Press Club, Washington D.C.
June 12, 1979.

I am delighted to be in Washington. During my stay I have already had interesting conversations with the Vice-President of the United States and the Secretary of State, Mr. Vance. I have also had the honour and privilege of meeting President Carter. I am particularly pleased to be together with you in this press club of long tradition. I am happy to share with you some observations and reflections on current affairs with the special emphasis on the role of my country in a changing world.

I represent a country that does not often make headlines in the world press, a fact that both my country-

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men and I are perfectly happy about.

In fact I can only remember two occasions on which Norway was front page news in the international press:

- The first time was in 1940, when we were invaded.
- The second time was when we had a dramatic blow-out in an oil field in the Norwegian sector of the North Sea.

I think you will agree with me, ladies and gentlemen, that experiences like these do not encourage a small country like mine to seek international notoriety.

And indeed Norway, with its population of 4 million, is a small country by international standards.

But at the same time Norway is grouped as one of the ten richest countries in the world.

This prosperity is based on international division of labour.

With a foreign trade amounting to nearly half of the national product Norway is one of the countries in the world which is most dependent on international trade for sustaining its own progress. This explains why Norway is so interested both in efforts to remove restrictions on international trade and in ensuring that such trade follows an accepted framework of rules.

And this is why we regard with alarm the signs of new forms of protectionism that we see emerging in international trade - above all in shipping, in which Norway as the fifth

largest shipping nation in the world has special interests. Over 90 % of our ships are exclusively engaged in carrying freight for other countries.

Although the international crisis in shipping has put its mark on Norwegian shipping as well, we now feel we can see the light in the other end of the tunnel. It is the belief of my Government that Norwegian shipping is emerging from the crisis in good health and will continue to be a vital element in Norway's economy in the years ahead.

In the sphere of defence policy, we are an ally of the United States. On the other hand, we have a common border with the other superpower - the Soviet Union. The relationship between the United States and the Soviet Union is therefore of crucial importance for Norwegian foreign policy. We have a clear national interest in the existence of a rational relationship between the two superpowers, and we are interested in a continued process of detente between East and West. This also explains our interest in the present SALT II agreement.

I am aware, of course, that the SALT II agreement is the subject of considerable debate in this country, and

I certainly do not want to interfere in the constitutional processes of the United States. However, as the SALT process affects the position of many other countries, my own included, we would fail in our duties as close allies of the United States if we were to remain silent.

SALT is an ^{important} element in the evolution of East/West detente. The stabilization of detente requires implicit understanding and tacit coordination in Soviet-American relations. We view SALT as an important vehicle for progress in that direction.

Should the present agreement be rejected, we fear that a major set-back to East/West detente would ensue. The prospects for agreement concerning arms control in Europe and for strengthening the non-proliferation regime

would become bleak indeed. That is not in the long-term interest of Europe or of the world at large.

The American leadership in the Atlantic Alliance includes the readiness to negotiate equitable arms control agreements with the Soviet Union.

I am aware that the SALT II agreement does not solve all outstanding problems with respect to strategic stability. But we cannot let the best be the enemy of the good. SALT does not eliminate the need for a prudent defence policy. Such a policy includes, of course, the maintenance of a credible deterrent. We have every confidence in the will and ability of the United States to maintain such a deterrent also in the years ahead. The SALT agreement does not prevent the implementation

of measures that are needed for that purpose. It is important to compare the situation for which SALT II will provide with the situation that would prevail in the absence of an agreement. It is our considered view that SALT II applies some much needed brakes to the strategic competition, at a time when the magnitude to the Soviet effort and the logic of technological developments could lead to a major acceleration of that competition, even though most of us agree that the ceilings are very high. SALT II in our view creates increased predictability at a time when mutual suspicion might fuel the arms race.

I have here briefly touched on two factors of decisive importance for Norway's position in international politics

- our dependence on international trade and our close commitment to the Western cooperative system. A third factor influencing the development of Norwegian foreign policy stems from our democratic way of life. Just as in this country, public opinion in international questions plays a central role in Norwegian foreign policy. This is partly expressed by demands for action on the Government's part when fundamental human rights are violated in other countries, or when people are struggling for independence or freedom in other parts of the world, as they are now doing in Southern Africa. The emphasis that the present administration in the United States placed on the human rights aspect in inter-

national politics therefore meets with the greatest sympathy in Norway, even though we are also aware of the many difficulties and dilemmas to which such a policy leads.

Similarly, there is unanimous support in our parliament for continued aid to the poorer countries of the world. We have achieved the goal set by the United Nations of applying one per cent of our gross national product in aid of developing countries, and we intend to maintain this goal in spite of the economic problems that Norway - like other countries - has to contend with.

We have also adopted a favourable attitude to the demands of the developing countries for a new economic

world order, accepting such demands in principle. We regard the task of bridging the gulf between the rich and the poor nations as perhaps the most important task confronting the international community to-day. This task must be resolved by means of cooperation between the industrialized countries and the developing countries. We therefore regret that it was not possible to achieve a greater degree of agreement at the recently concluded UNCTAD conference in Manila.

For small countries like Norway participation in the work of international cooperation is of fundamental importance, and so is the work of extending this cooperation in order to cope with the tasks confronting the international community. It is a special feature of the

times we live in that foreign policy is no longer simply a question of the nations' relationship to each other, but is also to an increasing extent concerned with their relationship to common problems. Norway, for its part, participates actively in the work of international cooperation in several international organizations.

Against this background you may ask why Norway is not a member of the European communities.

My reply to this is that the question of Norway joining the EEC was made the subject of a public referendum, the

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result of which was that a majority, though a very small one, voted against joining.

I wish, however, to stress that this No to joining the EEC was not a No to cooperating with Western Europe, but only to a special form of cooperation. We are now in the process of developing cooperation with the EEC on a pragmatic basis.

Another factor I should like to refer to is the need for economic cooperation between the members of the western industrialized community and its importance as a means of providing employment. In Norway a welfare state has been constructed since the war. A crucial element in this welfare policy is the task of ensuring full employment, and we have in fact succeeded in doing this during the economic crisis in which we have found ourselves. But because of Norway's externally oriented economy we are greatly dependent on the policy pursued by our most important trading partners. Unemployment can also be exported to another country. Norway therefore insists that in the various organizations for economic cooperation the countries

concerned must give priority in their economic policy to ensuring the highest possible level of employment. Seventeen million unemployed persons in the OECD area, of whom many are young people who have never had a job, is an appalling figure.

High unemployment over a long period of time is not only economic waste. It is a grave human problem. In the waste of mass unemployment there is a risk of social unrest. In the deeper sense unemployment may become a threat to social stability and democratic institutions.

Finally, Mr. Chairman, I wish to touch on what I will call the new tasks in Norwegian foreign policy. What I have in mind is the extraction of oil from the North Sea, the establishment of 200-mile economic zones, and the increased activity in the northern regions, and the effects of all this on Norway's foreign policy situation. As we are here concerned with tasks in our immediate geographical vicinity, what we do - or omit to do - will be of direct significance to other countries which quite naturally follow Norwegian policy in regard to these questions with great interest.

Norway has Europe's largest continental shelf. Up to now our exploration for and production of oil has been limited to about 5% of this shelf. Even though this produc-

tion is of vital importance for the Norwegian economy, it is of modest dimensions by global standard. This year's production will be about 800.000 barrels a day in oil equivalents, a figure that is expected to increase to 1.2 million barrels a day in the course of a couple of years. Norway consequently is a net exporter of oil, and one third of our crude oil production is exported to the United States.

The oil operations in the North Sea have not led to any basic change in Norway's foreign policy situation. That is decided by other factors. But it is self-evident that the discovery of oil at a time when the energy question occupies a commanding position in international politics will inevitably produce certain consequences.

We shall be more deeply drawn into international politics than previously, whether we like it or not.

As a result of the oil operations a closer cooperation has arisen between the countries bordering on the North Sea. Furthermore, the Government intends to use the oil as a means of furthering industrial cooperation with other countries.

As an oil producer and at the same time a part of the western industrialized world, Norway has a clear interest in closer cooperation between the oil-producing and the oil-consuming countries.

The alternative to such cooperation might lead to serious irregularities in supplies, in the worst case resulting in shock waves disrupting the economic and social

stability of our countries.

The second task that has extended our area of contact with other countries stems from the establishment of the 200-mile economic zone. This means exercising jurisdiction over areas that are 20 times larger than mainland Norway. The question that this expansion has raised in relation to other countries we have tried to solve through negotiations, in the first place with the Soviet Union and the EEC. As it has not yet proved possible to reach agreement with the Soviet Union on the final dividing line in the Barents Sea, a temporary solution has been adopted here for the fishermen's benefit, the so-called "grey-zone agreement".

I have now come to a third challenge facing Norwegian foreign policy, and that is the development in the

northern regions. As a result of the technological development, the need for protection of natural resources, and the development of the international law of the sea, we are faced with increased activity in these areas.

In addition to our 100 miles common border line with Soviet Union, the Norwegian economic zone and our continental shelf also share common borders with the comparable Russian zones in Arctic.

We are aware, of course, that the strategic importance and sensitivity of the areas in Norway's immediate vicinity imply requirements for responsible management on our part. Norway has adhered to a policy of prudence in her approach to security, balancing our own security against those of others. Our objective has been to keep the area of the

High North free of serious tension. We believe that we have managed quite well in this respect. The continued and steady support of our allies has been an important precondition for that success. Norway is not a question-mark in the pattern of East/West relations. Our position is clear and we consider it important that it remains that way.

However, the resource management problems and the legal questions in the Northern Area present Norway with a new set of challenges. It is important to avoid direct competition among the major powers in an area of great strategic sensitivity. Hence, Norway is intent on exercising equitable and credible control of activities in the areas of her responsibility. I am grateful for the consistent support and understanding which the American Government has shown with respect to our policy design.

In the Northern area Norway will exercise her sovereign rights and responsibilities. Our policy will be an equitable one, taking into account the interests and rights of all parties concerned.

In concluding, I would like to stress that the ideals upon which the United States was founded have played and still play a major part in the development of freedom and democracy in the world. The Norwegian people fully appreciate the key role of the United States in furthering this process. We regard the United States as one of Norway's most trusted and valued friends. The United States and Norway are linked by a multitude of close ties ranging from economic and cultural relations to the fields of security and defence. But beyond everything else we

are linked by our common heritage and the strong and everlasting human ties, which have been forged across the Atlantic through the history of our two peoples.

Ladies and Gentlemen, I am now ready for your questions.