

SPEECH BY THE PRIME MINISTER AT THE DINNER GIVEN BY
THE MANUFACTURERS HANOVER TRUST COMPANY IN "NAJADEN"
OM 16 JUNE 1980 AT 8 P.M.

Your Majesty, Your Excellency, Mr. Chairman, ladies
and gentlemen,

I am very pleased to have been invited to this dinner
and to have the opportunity of meeting representatives
of a bank which has for many years played such an
important role in the development of the Norwegian
economy and industry.

It is also a pleasure for me to meet all the guests
present here this evening. I see a great many repre-

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sentatives of the Norwegian and Nordic
business world. This shows what a large network of
contacts the Manufacturers Hanover Trust has built up in
our countries over the years.

I regard the fact that the Bank has chosen to hold its
annual meeting in Oslo this year partly as a sign of the
importance the Bank has attached to Norway and the Nordic
countries in the past. But I also take it as an expression
of the potential the Bank sees in our future course of
development here in the North.

Norwegian industry has been developed to a large extent
on the basis of capital investment from abroad. This

applies to manufacturing as a whole, to our shipping and, in recent times, also to our petroleum operations. We realize clearly that without this capital input we would not have progressed very far, neither as regards the development of our resources nor our standard of living. We are aware too that the financial institutions - both Norwegian and non-Norwegian - which have helped us on this onward path have made a very useful and highly appreciated contribution to this progress.

Internationally we are in an extremely difficult economic situation. The rate of economic growth in the developed countries has fallen to zero, and unemployment is increasing. Within the OECD area, the unemployment figure next year may reach 23 million.

This is a tragic and unacceptable state of affairs: tragic for all those who cannot find work - unacceptable because it is not something to which we must reconcile ourselves. We can turn the tide of development by means of an active and properly oriented economic policy, at the national and international level.

The prime aim of the Norwegian government is to create and maintain full employment.

We also seek, in the international field, to work for an economic policy capable of reducing unemployment and lessening one of the other serious international economic

problems today: inflation. But we cannot allow unemployment to be used as a means of solving this problem.

Here in our own country we have succeeded. Despite the difficult economic conditions prevailing internationally, we have managed in the last ten years to safeguard full employment and at the same time to sustain a reasonable rate of economic growth. Thanks to our oil revenues, this has been easier for Norway than for many other countries.

But of course we are not so fortunate as to have no problems at all. For several years the trend in prices

and costs has been rising too sharply. This is a development we are seeking to reverse.

Through the prices and wages freeze we had for the 15 months up to the beginning of this year, and through the wages and incomes settlement which we shall soon have behind us, I believe we have begun to move in the right direction. We have also succeeded in preserving the traditionally peaceful relations between management and labour.

We have a good foundation for a further development of the Norwegian society, in both economic and social terms. Here again the oil resources will help us - if we manage to

utilize them wisely. We do not want the Norwegian economy, or our society as a whole, to be over-dominated by the petroleum sector. We realize that we are facing a great challenge here - a challenge which we are prepared to meet.

In the course of the 1980s Norway will become a capital-exporting country. This is no world-shaking event. But for us in Norway it will be a dramatic new role. It will perhaps also be of significance for some of our friends in the world of finance. At the very least it will mean that in the Norwegian government they will lose a reliable customer and borrower.

I do not know what problems will confront us in the future as an exporter of capital. But I have a feeling that in

mastering these problems we have many friends ready to help us - among them perhaps also our hosts here this evening

On behalf of all the guests present, may I say "Thank you" for a very pleasant dinner.

I ask you all to join me in a toast to our hosts' Mr and Mrs McCillicuddy!