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VISITS OF THE NORWEGIAN  
PRIME MINISTER, MRS BRUNDTLAND,  
~~Now MR SYSE~~

NORWAY

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10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

25 November 1992

*Dear Richard,*

CALL ON PRIME MINISTER BY NORWEGIAN PRIME MINISTER,  
MRS BRUNDTLAND, 25 NOVEMBER

Thank you for the briefing you provided for Mrs Brundtland's call on the Prime Minister this morning. She was accompanied by the Norwegian Ambassador and Mr Border, Deputy Director of the Norwegian MFA.

The Prime Minister asked Mrs Brundtland about the position of the Norwegian Krone. Mrs Brundtland said that she was determined to defend the currency. Short term interest rates were high. Funds were still leaving Norway, but less dramatically than hitherto. This demonstrated the fundamental strength of the Norwegian economy compared to its Nordic neighbours. However the situation remained difficult. The Prime Minister noted that this would be the case generally in Europe until interest rates, particularly in Germany, began to fall. The Bundesbank was independent. He suspected that Chancellor Kohl would not object to a lower interest rate. The French franc had come under pressure yesterday. Mrs Brundtland said that her Finance Minister had been in contact with the Chancellor of the Exchequer. Norway wanted a stable system re-established, involving the major currencies, to which the Krone would be linked.

The Prime Minister pointed out that present events demonstrated the technical flaws in the ERM. The arrangements involved a lack of symmetry. The responsibility for intervention in the market rested with the currency at the bottom of the band. He could envisage an obligation being placed on the currencies at the top, not only to intervene, but to bear the costs of the intervention. This would remove the present asymmetry. The ERM had been an effective disinflationary system. Cooperation was better than absence of cooperation, and all systems had historically run into difficulty.

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Mrs Brundtland asked if this lay behind UK scepticism about the third stage of EMU. The Prime Minister said that it did not. The UK was basically sceptical of a single currency being imposed under the Treaty. He did not believe that the poorer Member States would be able to compete in 1996 with the likes of Germany. The result under a single currency would be large scale unemployment, population shifts, and demand for funds to stimulate jobs artificially. The United States had taken eighty years and a civil war to obtain a single currency. Events were proving that those advocating an early single currency within the Community were being too ambitious. The Maastricht deficit criteria had exacerbated the need for fiscal restraint. It was folly to sign up to a single currency at a particular date. This could only be considered when the circumstances of the time were known. This aspect had been insufficiently treated during the Maastricht negotiations. The Prime Minister pointed out that discussion of the difficulties would be easier once the Maastricht Treaty had been ratified. Otherwise other Member States would suspect the motives of those raising legitimate points. The Community would confront reality later. Even the Germans were now looking at the future of the Deutschmark. Only the United Kingdom had had a major debate before Maastricht on the issues involved.

Mrs Brundtland then turned to the membership application. She recalled the background. The Government had tabled a white paper to Parliament in 1987, the first discussion of the issue since the 1972 negative referendum. Meanwhile the EEA had been adopted by a three quarters majority. The majority in the Storting in favour of the membership application had been reduced to two thirds, but this was sufficient. Two parties had come out against membership - the agrarian Centre Party and the Left Socialist Party. They had planned their tactics to maximise the public discontent with a membership application. As a result, they had doubled their support in the polls. The Norwegian Conservative Party had been expected to support membership overwhelmingly, but now twenty percent of its members were against. The Labour Party was split more evenly. Sixty percent had supported an application at the recent Labour Party Congress, but that left forty percent against. It would be a difficult fight, but she would persevere to bring Norway into the Community. Opposition was concentrated in the North and coastal areas, and the difficult issues were agriculture, regional policy and above all fishing. She then handed over the formal letter of application, and an English translation of her statement to the Storting during the membership debate (copy enclosed). She added that never had so much time been spent drafting such a short letter. But the intention had been to produce a text which would be readily comprehensible to all Norwegians.

The Prime Minister said that this was one of the nicest letters he had received this year. The application was most welcome. The United Kingdom had long argued the case for

enlargement. Norway's natural place was in the Community. We would do everything possible to facilitate Norwegian membership, and to speed up the negotiation process. He recalled the Lisbon linkage between enlargement and future financing and Maastricht ratification. The Presidency was aiming for agreement to future financing at Edinburgh and a framework to accommodate Denmark. Success was not certain, but if achieved, he expected as a minimum agreement to the opening of informal negotiations with Norway, Sweden, Finland and Austria. Their accession would produce a stronger Community, and indeed change its nature. One Commissioner per country would become inevitable, and other countries would then come to the front of the queue for accession.

Mrs Brundtland confirmed that the Norwegian negotiator would be the Ambassador in Brussels, Ivenberg. He would be partly based in Oslo to ensure that he kept his feet on the ground. Responding to the Prime Minister, Mrs Brundtland said that a referendum was not obligatory, but all parties were agreed that one should be held. A simple majority would be necessary, and an amendment to the Constitution might be made to ensure that this was binding upon the Parliament. She added that the Christian Democratic Party was also moving to oppose membership.

The Prime Minister said that whaling would prove a difficulty in the negotiation. This was a matter of intense controversy. We were opposed to commercial whaling. A Greenpeace petition had produced half a million signatures. Feelings ran high on the issue. The present acquis excluded trade in whale products by Member States. The extent to which commercial whaling was banned had yet to be tested. Mrs Brundtland recognised the sensitivity of the issue, and hoped that the Commission would play it down. She noted that the grounds for objecting had changed. Initially, it was based on the small stock of Minke whales. Norway had ensured that the species was safeguarded. People now opposed whaling because they liked whales.

Mrs Brundtland recalled her initiative for a meeting of Finance Minister of the EC and the EFTA countries to consider the economic situation. The Prime Minister said that this had been discussed at ECOFIN on 23 November, and that the Chancellor of the Exchequer would be writing to her to agree to the initiative.

Mrs Brundtland argued that fish was specially sensitive for Norway. Other issues should be negotiable. But fish had lost the referendum in 1972. The adoption of the Common Fisheries Policy immediately before the planned accession had upset Norwegians. She put this down to the French who had not wanted Norway to join. The then President of the Council, Gaston Thorn, had told her that he regretted his failure to take a tough enough position with France on fisheries. He had failed to appreciate how important the issue was for Norway.

The Prime Minister concluded by pointing out that all the Member States of the Community faced particular difficulties. He cited examples. These were a manifestation of the economic recession. Responding to Mrs Brundtland, he said that he expected the GATT Round to be concluded successfully. France faced a large political problem with farmers, and a difficult economic background and high unemployment. He understood her problems, but the world needed a GATT agreement.

I am copying this letter to Jeremy Heywood (HM Treasury), David Rossington (Ministry of Agriculture, Fisheries and Food) Alan Riddell (Department of the Environment), Sir Robin Butler and Sir John Kerr (UKRep Brussels).

*Jans*

*J S Wall*

J S WALL

R H T Gozney Esq  
Foreign & Commonwealth Office



10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

25 November 1992

*Mrs Hall - 1*

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*Dear Richard,*

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*consideration, esp<sup>y</sup> the issue of States rights.*

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R H T Gozney Esq  
Foreign & Commonwealth Office

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THE PRIME MINISTER

Oslo, 24 November 1992

Mr. President,

The Norwegian Government hereby has the honour to apply for membership of the European Communities and to inform you that Norway is prepared to enter into negotiations on the conditions for admission.

Yours sincerely,

A handwritten signature in cursive script, reading "Gro H. Brundtland".

Gro Harlem Brundtland

The Rt. Hon. Douglas Hurd, M.P.  
President of the Council of Ministers  
of the European Communities.

Prime Minister  
Gro Harlem Brundtland

Statement to the Storting concerning the application for  
membership of the European Communities

16 November 1992

Madam President,

In its inaugural statement to the Storting on 6 November 1990, the Government emphasized that Norway must continually reassess developments in Europe and seek to find those forms of cooperation which can best serve our national interests. This has always been the Labour Party's basic attitude to how we can best develop our relations with other countries.

Our most important task today is to ensure full employment. The economic growth we generate together must be equitably distributed and provide the basis for further development of our welfare. If we are to achieve the goals we set for Norwegian society, we shall need a joint effort both in Norway and in cooperation with the other Nordic countries and the rest of Europe.

When the Labour Party Government submitted a report to the Storting on "Norway and European Cooperation" in 1987, the Storting had the opportunity to hold its first thorough debate on Norway's position as regards European cooperation since 1972.

At the time, we were already witnessing the beginnings of change in the Soviet Union and more open relations between East and West. Nevertheless, the EC's efforts to complete the internal market posed the main challenge for Norway and the other EFTA countries.

A broad-based majority in the Storting endorsed the view that the 1973 free trade agreement would not adequately safeguard Norwegian interests when the EC internal market entered into force on 1 January 1993. A more comprehensive cooperation agreement between EFTA and the EC was required to give Norwegian enterprises equal access to our most important export market, and thus safeguard the very basis for Norwegian jobs and Norwegian welfare.

Since then, three governments have, with broad-based support in the Storting, worked towards an EEA agreement. The Storting finally approved the agreement by a majority of more than three-quarters on 16 October this year.

The EEA Agreement is the first step towards a better-organized European economy. For Norway, the agreement represents the free trade agreement of the 1990s; it represents a solution to the market challenges Norway and the other EFTA countries will be facing during the decade.

Our Nordic neighbours Sweden and Finland have applied for

membership of the EC and are now preparing for negotiations. It is indicative of the current situation that countries that have remained neutral for several hundred years now believe their interests to be best served by joining the EC.

The major changes that have taken place since the end of the 1980s have not primarily been concerned with issues related to market access, which is provided by the EEA Agreement, but with the political challenges in a new Europe. The Cold War between the free democratic world of the West and the totalitarian East has come to an end with the dissolution of the Soviet Union and the liberation of Central and Eastern Europe.

Madam President,

All countries, including Norway, must constantly assess whether current cooperation arrangements are the best way of meeting the challenges of tomorrow. We must consider whether solutions we chose under very different conditions still give us sufficient freedom of action and influence.

In many countries, there is a growing scepticism to politicians and political activity. One important reason for this appears to be that decisions in national and local democratic institutions alone cannot resolve the problems that concern most people in their daily lives.

The aim of our political efforts is to find solutions to the tasks facing us and achieve our goals for Norwegian society. An increasing number of these tasks also require action across national borders. Thus, it is not satisfactory that most of the political instruments at our disposal are only national.

In order to regain control of many of the forces that shape our daily lives, we must be able to make democratic decisions that truly enable us to meet our challenges. It is no longer possible with any claim to credibility to tell Norwegian voters that we can carry out all our tasks by means of decisions in Norway alone. If we cut ourselves off from the fora where important decisions are made, we are in reality restricting our own freedom of action.

In recent years, the EC has developed into the most important organization for cooperation in Europe. When Norway applied and negotiated for membership twenty years ago, the EC comprised only six countries. The political cooperation had not progressed very far, and there was no immediate prospect of an end to the division of Europe.

Today the EC comprises 12 European democracies. The Community is prepared to begin the first round of membership negotiations with the EFTA countries in 1993. After that, negotiations can be initiated with the many democracies in Central and Eastern Europe that now wish to join.

Thus, it is possible that in a few years' time, the EC will comprise more than 20 democratic countries, including the great majority of the people of the Nordic region and our NATO allies.

Such a community would reflect the cultural diversity of its member countries. It is the current and new member states that will determine the further development of the EC. It is the EC member states that will determine how European cooperation is to deal with the many problems related to promoting peace, employment, welfare, economic growth and sustainable development.

The EC is made up of sovereign states, and this will continue to be the case. EC cooperation is a continually developing process, as it must be when democratic countries join forces to find common solutions to common challenges. The current debate is not only concerned with the substance of this cooperation, but also with its means. There is a need for more openness. The democratic decision-making process must be continually developed and decentralized. Supranational cooperation must be used as a catalyst to strengthen democracy at all levels.

The EC countries have been expanding their political cooperation to encompass an increasing number of areas since the 1980s. The Maastricht Treaty provides for closer cooperation on economic affairs and monetary and foreign policy issues, a greater joint effort to resolve environmental problems, a more definite focus on the social dimension of European cooperation and closer cooperation to prevent and combat terrorism, drug trafficking and other forms of serious international crime.

We know that decisions of great importance to the future of Europe as a whole will be prepared and taken in the EC. Therefore Norway, too, has reached a crossroads where we must decide how and with whom we can best safeguard our interests in the years ahead.

The Nordic countries are faced with a completely new situation now that both Sweden and Finland have applied for membership of the Community. In 1972, many viewed Nordic cooperation as an alternative to European cooperation. This is no longer the case. Unless we ourselves decide otherwise, the EC may in a few years' time comprise all of Europe except for Norway, Iceland, certain countries in the Balkans, and Russia. This is a dramatically different prospect than the one we faced in 1972.

It is natural for Norway to take part in binding cooperation with the other democratic countries in our part of the world. Together with the forces that share our values, we shall work to ensure that EC cooperation is concerned with employment, the environment and social justice. The Government underscores that we can best safeguard Norwegian interests by pleading our

own cause when important decisions are made concerning Norway's and Europe's future. Cooperation within the EC would not provide the answer to all our problems, but it would put us in a better position to solve them.

It is the view of the Government that Norway would have greatest freedom of action by supporting the EEA Agreement on the one hand and applying for membership of the EC on the other, so that we have an opportunity to negotiate and become a member together with countries that share our interests.

The Nordic countries and their EFTA partners have an opportunity to negotiate EC membership now, not in a few years' time. The fact that these negotiations will be conducted in parallel strengthens these countries' position in the negotiations. By taking advantage of this opportunity, we will be able to clarify the conditions for Norwegian participation in and joint responsibility for future political cooperation in Europe.

A referendum will be held after the negotiations have been concluded. Thus, the final decision will be the responsibility of the Norwegian people.

Madam President,

The Government has made efforts to provide information about Norway's relations with Europe that is as comprehensive and objective as possible.

The Proposition to the Storting on the EEA Agreement provides a thorough account of Norway's economic relations with the EFTA and EC countries. Last year, the Government announced that it would submit a general study on Norway's participation in European cooperation and the consequences of various forms of association with the EC. The following issues have been covered: foreign and security policy, Nordic cooperation, welfare, the environment, democracy and participation, culture, research and education, and business and industry. A general report, a number of research papers and a report on the status of the Sami people have also been presented.

The reports have been sent to all members of the Storting, political parties and organizations, and have been made available to the general public. It is the Government's intention that this material should be accessible to all those who wish to take part in the vital debate on the future of Norway and of Europe.

The main conclusion of this study is that we must deal with the many challenges facing Norwegian society, regardless of the form of association with the EC we choose. If Norway should choose not to close its borders to the rest of the world, the growing process of internationalization would have an even greater effect on the Norwegian economy, which would also enhance our ability to contribute to peace and

cooperation in Europe.

The advance of technology cannot be stopped. The global economy will continue to bind countries more closely together. Our possibilities of safeguarding employment will become increasingly dependent on our ability to sell goods and services to other countries. The environmental problems are not going to disappear, and the need for Europe to make a concerted effort to help the Third World is only going to increase.

This is the reality facing Norway today, and the challenges facing Europe are also our challenges. Most of the political decisions that affect people's daily lives will continue to be made in Norwegian political bodies, in our municipalities and counties, and here in the Storting. However, many important decisions will also be made by the countries of the EC.

Therefore, the Government is of the view that Norway's interests would be best served by making full use of the democratic process in our cooperation with the other European countries as well. Membership of the EC would enable Norway to take part in a new arena for political action that extends beyond the national arena. We would then be able to participate in the democratic process and strengthen political cooperation in Europe, just as we do in our own country.

Madam President,

The Government wishes to emphasize several important factors that support its contention that Norwegian interests would be best served by full political participation in the EC.

The next ten years will be decisive in terms of how we all make use of the opportunities to expand European cooperation presented by the end of the Cold War. Norway and the other Nordic countries also have a responsibility in this respect. At the same time, Europe is responsible for reversing current trends in the Third World. These trends can only be reversed by a concerted international effort, and what the EC countries are able to achieve together will be decisive. This applies not only to direct aid, but also to the questions of market access and measures to ensure greater stability of prices for exports from the developing countries. The EC has developed broad-based, comprehensive cooperation with the developing countries which is similar in many respects to Norwegian development cooperation policy. Membership of the EC would give the Nordic countries, which have always attached great importance to a policy of solidarity and development cooperation, an opportunity to work together to ensure that vital environmental and development issues are placed at the top of the agenda.

The countries of Europe are facing a new security policy situation which enhances the need for closer political cooperation with our European allies. We are no longer facing

common adversaries, but common dangers. National, social and ethnic conflicts pose new threats to freedom and revive memories of dark chapters in the history of Europe. All of Europe, including the countries of the West, must now join forces to safeguard democracy and to ensure an economic and industrial reconstruction in the East that takes account of environmental considerations.

The economic problems in the former Soviet Union have led to dissatisfaction and unrest. The danger of a return to authoritarian rule and militarism is greatest where the democratic roots are anchored in the thinnest soil. We must be prepared to live with uncertainty for many years to come. This entails new demands as regards political cooperation and the willingness to cooperate in Western Europe. Our interests will not be served by instability and uncertainty in neighbouring countries.

The EC will become an increasingly important foreign policy factor in Europe. The members of the Storting have expressed a general desire to achieve the closest possible foreign policy cooperation with the EC. NATO membership and cooperation between North America and Europe will continue to be vital to Norway's security.

However, Europe will have to take more responsibility for its own security in the years ahead. The fact that Norway does not participate in all the fora in which our European allies adopt common positions on foreign and security policy questions creates problems for us. It is extremely important for us to be able to plead our own cause when the countries closest to us are defining their common security. One important reason why Norway ought to apply for membership of the EC is that this is the only way for us to participate fully in European cooperation on foreign and security policy.

A basic characteristic of a community is that its members meet tasks and challenges together. One of the most important tasks for Norway is to ensure that our foreign policy challenges are also the challenges of our European allies. Our relations with neighbouring Russia will be a major challenge in the years ahead. Our ability to deal with the truly difficult problems in the North, particularly in the environmental field, will depend on their also being recognized as EC problems.

In today's world, all countries need many international contacts in order to safeguard their interests. We, too, must work to ensure that Norway does not lose contact with those countries that are closest to us.

If Sweden and Finland join Denmark in the EC, 80 per cent of the people of the Nordic region will be inside the Community. This could create a division in the Nordic region with negative consequences for Nordic cooperation. The border between Norway and Sweden could become the border between Norway and the EC. This would not only have important



consequences for trade across the border. It could also have unfortunate consequences for investments, which could in turn affect Norwegian jobs.

The majority of the EFTA countries may also become members of the EC. This would considerably weaken EFTA, which would also affect the functioning of cooperation within the EEA.

In the open world of today, it is essential that the countries closest to us recognize and understand Norwegian interests. This can only be achieved if we are present where joint initiatives are taken and decisions are made. Membership of the EC is the only satisfactory means of ensuring this.

The Government regards full employment and the further development of the welfare society as its major national task. Political decisions made in Norway will continue to be especially important in this context. Our economic freedom of action depends primarily on our own efforts. It is our responsibility, and no one else's, to build confidence in the Norwegian economy. What we have to distribute will continue to be determined by our own ability to sustain economic growth. And our policies will still be determined by the way Norwegian voters vote in Norwegian elections.

However, developments in the rest of Europe have an important bearing on the Norwegian economy, our welfare and employment. In an open world economy, a country's ability to maintain and expand its welfare system is closely bound up with developments in the international economy.

The ability of our companies to sell their products and services will be largely dependent on their being given the same conditions as those enjoyed by companies in other countries. The EEA Agreement ensures that the same rules will apply to all companies in the market that absorbs more than 80 per cent of Norwegian exports. The access to the internal market provided by the EEA Agreement will mean lower prices, which will benefit both consumers and the business sector.

Predictability and market access will not, however, solve all our problems. The greatest challenge facing Europe and Norway is to create new jobs. In order to deal with this problem, Europe needs a stable, predictable economic situation where countries are prevented from unloading their problems onto others and where companies are given an opportunity to deal with one another without being exposed to abrupt fluctuations in the finance and foreign exchange markets.

Thus, one of the principles on which this statement is based is that closer cooperation on economic policy and employment in Europe is absolutely essential. Better coordination of the economic policies of the various European countries is required if we are to eliminate unemployment, encourage new investments and promote industrial growth that is in keeping with environmental considerations.

The Norwegian Government has taken the initiative in accordance with the EEA Agreement to propose closer cooperation to promote full employment. Earlier this month, a letter was sent to the heads of government of all the EFTA and EC countries inviting the European finance ministers to come together to discuss the causes of and possible solutions to the problems facing all of us.

The stability of the foreign exchange markets during the decades following the war was an important factor in the general economic prosperity that Norway shared.

Instability in the finance and foreign exchange markets makes an even greater impact when countries' economies are as closely interlinked as is the case in Europe today. The uncertainty in the foreign exchange markets this autumn has demonstrated the vulnerability of small countries in particular to fluctuations in the world economy. Our neighbours Sweden and Finland have been forced in the space of a few months' time to make considerable changes in welfare systems that took several decades to build up.

The state of the Norwegian economy made it possible for us to stand up to the pressure. This is because we have been making a determined effort since 1986 to restore confidence in the Norwegian economy. It was also a definite advantage that the Syse Government decided in October 1990 to link the Norwegian krone to the ECU. It is easier for a small country to maintain confidence in its own currency by cooperating with other countries. Without such cooperation, Norway might have been facing a far more difficult situation.

The EC's goals of closer economic cooperation and greater financial and monetary stability are important ones. These arrangements are intended to improve cooperation between countries. Only one to two per cent of the member states' GDP goes to the EC's joint budget; the remainder is allocated by the respective countries' elected representatives. It will still be our own elected representatives who decide on the distribution of our own wealth.

The fact that the countries of Europe cooperate in setting limits to excessive budget deficits and public debt is a sign of progress in the economic cooperation. The objectives set out in the Maastricht Treaty as regards growth with a low rate of inflation, coordination of exchange rates and long-term balance in the fiscal budgets are both important and necessary. However, it is not possible to achieve a balance in the economy without reducing and, eventually, eliminating unemployment. Economic balance must be restored by pursuing an active employment policy and guaranteeing the necessary public revenues.

Countries have a tendency to unload their problems on one another when speculation is allowed to prevail in the

international economy. Today all countries are aware that the free movement of capital creates problems of control. The only way to achieve better means of control and clearer rules is through cooperation with other countries.

We do not know how and when the EC countries will be able to achieve the objectives set out in the Maastricht Treaty. New decisions will be made towards the end of the decade. Economic stability and the ability to cooperate on foreign exchange issues are also extremely important for our companies. Uncertainty affect investments and jobs, and it ultimately also has consequences for each individual's private economy.

It is by cooperation within the EC that important premises will be established for foreign exchange and interest rates. Whatever the results arrived at by the EC countries, these will have an important bearing on Norwegian economic policy. In this, as in a number of other areas, Norway would benefit from having a vote and a say, together with others who share our interests, when important decisions are to be made.

The environmental problems facing us constitute a common European challenge. The thorough analysis set out in the general study on Norway's relations with Europe shows how Europe as a whole is facing the task of integrating environmental considerations into all sectors of society in such a way that they are reflected in all aspects of the economy. Only by integrating the requirement for sustainable development into areas such as energy, industry, transport and technology will we be able to ensure that developments proceed in the right direction.

Given the interdependence of the various countries in an open world economy, it is obvious that no one country can cope with this task on its own. We cannot achieve binding agreements without coordination within Europe and the EC. We need a common awareness, common goals and effective political instruments to achieve them. The EC has adopted the principle of sustainable development as one of its overriding objectives. There is no other organization that has such a broad-based range of cooperation that covers so many key areas. Thus, the best way for us to contribute to sustainable development is to join forces with all those who share our concern about a far-sighted environmental policy.

Madam President,

Norway and the other Nordic countries can make an important contribution in a new, enlarged EC. The Government favours a Norwegian application for membership of the EC because it would place us in a better position to take part in efforts to promote peace, welfare, employment and the environment in Europe.

When entering into negotiations on membership of the EC, the Government's aim is to achieve an agreement that it can

recommend and that is acceptable to the Norwegian people.

After having expanded towards the south in recent years, the EC is now prepared to expand towards the north. This means that Northern Europe will make its contribution to the European diversity. We are applying for membership of a Community that has developed its own rules and traditions. We wish to join the other countries in developing them further.

However, this also means that today's member states must appreciate the fact that special measures are required to maintain economic growth and settlement under harsh climatic and geographical conditions. Norway is a long, narrow country, and much of it is sparsely populated. It is essential that Norway retain control over its natural resources in the future. An acceptable negotiating result is contingent on our finding satisfactory solutions as regards our primary sector and regional policy.

Fisheries are of particular importance to incomes and settlement patterns in our country, particularly in the north. It is our hope that the EC will not underestimate the significance of the fisheries issue for Norway this time, as it did in 1972. If so, we know that this will make it difficult to rally support for membership of the EC, not only in the north, but throughout the entire country. Therefore, it is extremely important that the EC countries show in the negotiations that they understand that the Norwegian coast also represents part of European reality.

EC fisheries policy is based today on the principle of relative stability. Norway's major concern is to retain its historical rights to fisheries in its own waters.

The livelihood of the coastal population, and thus of the northern part of our country, is dependent on these rights. We will stress the importance of sustainable management of our fisheries resources. We, too, have experienced the impact of short-sighted assessments and misjudgments on the management of these resources.

We have learned from our experiences, and we are determined not to forget them. We shall work to gain recognition for our experience and our situation. The recovery of the Norwegian stocks of spring-spawning herring and Arcto-Norwegian cod has attracted international attention. This successful example of resource management shows how Norway, as one of the world's leading fishing nations, possesses considerable expertise and experience that would benefit EC fisheries policy.

Norwegian agriculture yields much less per unit area than the average in the EC today, and our degree of self-sufficiency as regards food is the lowest in Europe. At any rate, in a situation where international trade agreements such as the GATT will also establish an important framework for agricultural policy, we must continue our efforts to develop

an agricultural sector that is less cost-intensive, but at the same time viable and progressive.

A small country that remains outside strong trade organizations could be vulnerable in a situation where there are no clear rules for trade between countries. It is worth noting that in the Uruguay Round the EC has attached great importance to retaining arrangements that ensure the possibility of diversified, viable agricultural practices.

We shall do our best to gain recognition of the fact that Norwegian agriculture is subject to conditions that differ considerably from those further south in Europe. Our agricultural sector is not involved only in food production. This point of view is also gaining ground in the EC. We shall attach great importance to finding solutions that will ensure an extensive, viable agricultural sector, and to achieving arrangements that make it possible to maintain stable and viable settlement patterns in our long, narrow country. Neither we nor the EC countries have anything to gain from the depopulation of rural communities in Norway. On the contrary, a vital, vigorous rural Norway is in everyone's interests.

As far as the primary sector is concerned, the Government would emphasize the Sami interests involved. It will take care to keep representatives of the Sami population informed of relevant issues in connection with the negotiations.

The principles of regional policy in the Nordic countries are different from those that apply in Central Europe. The EC regulations are designed for densely populated areas with good communications and a varied economic base. This does not apply to our country, where 4 million people inhabit an area covering 300,000 km<sup>2</sup>.

Our arguments in favour of these special conditions will be stronger if we negotiate in parallel with our Nordic neighbours. If Norway, Sweden and Finland should become members, the area of the EC would be extended by almost 50 per cent. This would obviously influence EC policy in many areas. The EC adjusted its legislation and measures in connection with previous enlargements, and there is no reason why it should not do so this time as well.

The EC has no common energy policy. A main principle is that the management of energy resources is a national responsibility.

Successive Norwegian governments have stressed the importance of a sound, long-term petroleum policy with an emphasis on the environment, fisheries and regional considerations, security, and long-term management of our petroleum resources.

Norway is the country that will be primarily affected by energy policy decisions concerning petroleum. During the last couple of decades, Norway has become one of the major

suppliers of energy to Western Europe. Norwegian gas is being increasingly used to replace more polluting sources of energy. Thus important energy and environmental interests are bound up with the development of Norwegian petroleum resources.

There is a long tradition of international competition for licences and other contracts on the Norwegian continental shelf. The Storting has recently adopted amendments that do away with certain arrangements that could be interpreted as being discriminatory. We, too, have competitive oil companies that have acquired great expertise through their work under demanding conditions in the North Sea, and more recently in Arctic waters.

The State plays an important role in imposing standards and laying down stringent regulations in activities that take place under difficult climatic conditions.

In view of the forthcoming EEA cooperation and the fact that the Government now advocates that Norway apply for membership of the EC, the Government presumes that Norwegian views are given equal consideration and weigh heavily when the EC countries discuss legislation that covers the petroleum sector.

As in 1972, these are among the issues that will have the greatest significance for the way in which the negotiation results are viewed by the Norwegian people.

Madam President,

We shall never be able to say that the development of the EC is fully and finally concluded. During the past year, we have witnessed an intense debate on the further development of the Community in the member states. The referendums in Denmark and France and the British Conservative Government's attitude to cooperation on the social dimension have shown that both the direction and the extent of the cooperation are controversial.

What remains indisputable is that the EC has succeeded in making the promotion of peace, the environment, social rights and employment into a common European effort. This shows that the EC countries have taken responsibility for the most fundamental issues of our time. It is within this framework that the countries of Europe will be able to join together in adopting common measures to steer developments in the right direction.

It is the countries that participate in the cooperation that will determine its further course, not those that remain on the outside. Given that decisions taken by the EC will have a profound effect on our country, we should also participate in this important new phase of European cooperation as we have done in EFTA throughout the entire post-war period.

We must not lose sight of our goals for EC cooperation.

Cooperation in Europe must respect European diversity. People must be able to relate to decisions taken as close as possible to those concerned. The EC needs greater openness and transparency, and less bureaucracy.

Better use must be made of the opportunities provided by EC cooperation to strengthen employment policy, place a greater focus on the social and environmental dimension, ensure that European policy has the support of the people and further develop democracy within the Community. We must work to ensure that the EC incorporates employment policy as the most important objective of its economic policy.

The dialogue between the social partners should become a more integral part of the decision-making processes in the EC. The Government will maintain contact with employers' and employees' organizations throughout of the negotiations. The social dimension must be further developed in order to prevent social dumping and inequitable conditions for employees. We shall maintain our ambitions as regards equal status policy. Equitable distribution of income between women and men in all phases of life must be an objective of the equal status policy pursued both in Norway and in Europe.

Madam President,

The EC issue has always aroused strong feelings in our country, and this is still true today. The Government stresses the importance of our maintaining respect for one another's views in the debate on the form of association that would best serve Norwegian interests.

On the basis of an overall assessment of developments in Europe, the Government has come to the conclusion that Norway, too, should take part in the political cooperation on our continent, and that we should seize this historic opportunity to negotiate in parallel with our Nordic neighbours. We would be evading our responsibility if we were to turn our backs on the challenges because they were demanding or controversial. A viable democracy like the one we enjoy in Norway must be equal to the task of dealing with difficult issues without losing sight of all our other important challenges.

The debate will continue with great intensity through the negotiating phase and until the people themselves decide the question of membership through a referendum. We are well served by such a debate about our future. A democratic debate on the form we wish our society to take must never cease.

The tasks we are facing in the years ahead will be demanding, and it is essential that everyone is aware of the various opportunities and possibilities. We may disagree on many things here in Norway, but we do not disagree on everything. There is general agreement as regards fundamental values relating to peace, employment, the environment, maintenance of settlement patterns and representative government.

It is the Government's hope that the Norwegian people will demonstrate the sense of responsibility and solidarity called for when our country is involved in important negotiations with other countries. Thus, on behalf of the Government, I would call on the Storting to give its support in the demanding negotiations ahead of us.





cell  
bty

Foreign &  
Commonwealth  
Office

24 Nov 1992

London SW1A 2AH

Prime Minister

Important that you make these

Dear Stephen,

parts.

John UK.

Call by the Norwegian Prime Minister on Wednesday  
25 November

You asked for additional briefing on Whaling.

At the International Whaling Commission (IWC) in Glasgow in June, Norway announced that it would unilaterally resume commercial whaling from 1 January 1993. This has led to increased pressure from environmental groups that EC member states should block Norwegian membership of the Community until the Norwegians think again. The Community already bans trade in whales and the EC Habitats Directive will prohibit commercial whaling (although its precise scope is as yet unclear).

Mr Garel-Jones told the Norwegian Trade Minister in July that we regretted their decision and hoped they would reconsider. But we do not want this issue to degenerate into a bilateral dispute, nor do we wish it to become a factor in the Norwegian domestic debate on EC Membership (opinion polls in Norway continue to show a majority against). Our opinion is to support Norway's application, subject to her being able to fulfil all the responsibilities of membership. This will include signing up to all the existing Community legislation then in force, including that on whaling.

The Prime Minister might say:

- we regret Norway's decision to resume commercial whaling next year. Acceptance of the EC acquis will mean complying with all existing Community legislation, including the ban on whaling and trade in whalemeat.



I am copying this to David Rossington (MAFF).

Yours ever,

James Smith

(J S Smith)  
Private Secretary

• J S Wall Esq CMG LVO  
10 Downing Street

CLAB  
bup



Treasury Chambers, Parliament Street, London, SW1P 3AG  
071-270 5000

24<sup>th</sup> November 1992

Stephen Wall Esq CMG LVO  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON  
SW1

Dear Stephen,

**CALL ON PRIME MINISTER BY NORWEGIAN PRIME MINISTER,  
MRS BRUNDTLAND, 25 NOVEMBER**

I understand that the Foreign Office has provided briefing for the Prime Minister's meeting with Mrs Brundtland tomorrow. Since that was sent further turmoil in the currency markets has seriously affected Norway. In addition the Norwegian proposal of a joint meeting of EC and EFTA Finance Ministers was discussed at ECOFIN on Monday. The Prime Minister might like a brief note.

Since 1990 Norway has pegged the Krone to the ecu, and held it within a margin of +/-2.5 per cent. But in the aftermath of the Swedes' abandonment of their own link with the ecu, the Krone has come under great speculative pressure. The Norwegian Central Bank has reportedly used up to half Norway's total currency reserves in support-buying of the Krone, assisted by the Bundesbank. The Government has confirmed its determination to maintain its ecu link and has twice raised the overnight interest rates (now at 25 per cent). But this may not be sustainable. The markets appear convinced that a devaluation is inevitable soon.

The Prime Minister might say:

- Have seen reports of your currency problems. Outlook?

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- Your difficulties not unfamiliar. Latest ERM alignment (Peseta/Escudo) demonstrates instability has not yet subsided. End for turbulence in foreign exchange markets one of conditions for Sterling's return to ERM.
- ECOFIN carrying forward remit from Birmingham to analyse and reflect on recent turbulence. No precise timetable - important that work is thorough.

The turmoil may have intensified Norwegian concerns that there should be closer monetary cooperation between members of the EMS and EFTA. (This was discussed on Friday at the regular annual meeting between the President of ECOFIN and the Norwegian Monetary Authorities, when the Chancellor was sympathetic but noted that some - particularly the Germans - remained hesitant.)

The Prime Minister might also wish to note that Monday's ECOFIN agreed to respond positively to the request of the Norwegian Government for a meeting between ECOFIN and the Finance Ministers of the EFTA Countries next spring to discuss ways of improving prospects for growth and employment. The Chancellor will provide a draft letter for the Prime Minister to send to Mrs Brundtland on this point shortly.

I am copying this letter to Richard Gozney (FCO) and Melanie Leech (Cabinet Office).

*Yours,*

*Owen Barder*

OWEN BARDER  
Assistant Private Secretary

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FM OSLO

TO DESKBY 231600Z FCO

TELNO 400

OF 231417Z NOVEMBER 92

INFO IMMEDIATE TREASURY, BANK OF ENGLAND, DTI, STOCKHOLM, HELSINKI

INFO IMMEDIATE COPENHAGEN

MY TELNO 397: NORWEGIAN CURRENCY DIFFICULTIES

SUMMARY

NORWEGIANS MARSHAL THEIR DEFENCES TO HOLD THE CURRENT PARITY OF THE NORWEGIAN KRONE.

DETAIL

1. THE NORWEGIAN CABINET MET IN EMERGENCY SESSION FOR TWO HOURS LAST NIGHT TOGETHER WITH THE GOVERNOR OF THE CENTRAL BANK TO CONSIDER THE CONTINUING CURRENCY CRISIS. THE GOVERNMENT CONFIRMED ITS DETERMINATION TO USE ALL MEANS AT ITS DISPOSAL TO MAINTAIN THE KRONE'S PARITY WITH THE ECU AND RESOLVED TO RAISE THE OVERNIGHT INTEREST RATE FOR THE COMMERCIAL BANKS FROM 17% TO 25% FROM 9 AM THIS MORNING. NOTWITHSTANDING THE RALLY OF THE KRONE ON FRIDAY, AND THE SPANISH AND PORTUGUESE DEVALUATIONS, WHICH MEAN A SLIGHT REDUCTION IN THE KRONE'S VALUE AGAINST THE DEUTSCHMARK, THIS IS EXPECTED TO BE A DIFFICULT WEEK. IT HAS BEEN REPORTED THAT THE CENTRAL BANK USED BETWEEN NOK 20 AND 50 BN IN SUPPORT BUYING OF THE KRONE LAST WEEK OUT OF TOTAL CURRENCY RESERVES OF NOK 105 BN, AND THAT IT WAS ASSISTED BY SUPPORT BUYING BY THE BUNDESBANK.

2. THE GOVERNMENT IS ALSO REPORTED TO HAVE DECIDED THAT, TO ASSIST THE COMPETITIVENESS OF NORWEGIAN INDUSTRY, ELECTRICITY CHARGES WILL BE WAIVED FOR POWER-INTENSIVE INDUSTRIES AND FOR TIMBER PROCESSORS, AND THE REST OF INDUSTRY WILL ENJOY REDUCED POWER COSTS. DOMESTIC CONSUMERS AND OTHER USERS WILL PAY MORE FOR THEIR ELECTRICITY. THE PROPOSAL IS EXPECTED TO BE BROUGHT FORWARD ON FRIDAY. THE CONSERVATIVE PARTY HAS CALLED FOR FURTHER QUOTE INTERNAL DEVALUATION UNQUOTE MEASURES SUCH AS A REDUCTION IN EMPLOYMENT TAXES, BUT THEIR IDEAS HAVE FOUND LITTLE FAVOUR WITH THE GOVERNMENT AND THE OPPOSITION.

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Foreign &  
Commonwealth  
Office

23 November 1992

London SW1A 2AH

*Prime Minister*

*Dear Stephen,*

*[Signature]*  
24/11

**CALL ON PRIME MINISTER BY NORWEGIAN PRIME MINISTER,  
MRS BRUNDTLAND, 25 NOVEMBER**

Mrs Brundtland will call on the Prime Minister on 25 November to present Norway's application for EC membership. She will be accompanied by the Norwegian Ambassador, Mr Borde (Deputy Director of the Norwegian MFA) and Mr Stone (Special Adviser at the Prime Minister's Office).

EC Application

Norway sought to join the Community with us. The EC membership debate split Norway in 1972 when, after accession negotiations had been completed and the Norwegian Parliament had approved the results, the Norwegians rejected membership in a referendum. The Norwegian Conservatives (Hoyre) have long supported membership. Mrs Brundtland's Labour party was split on the issue and she has run a long and cautious campaign to build up support. The Party Conference agreed on 8 November to apply, and the Norwegian Parliament voted on 19 November in favour. The key issues in negotiation will be fish (EC rules oblige member states to share resources), agriculture (adaptation to the CAP will cut the heavy subsidies enjoyed by Norwegian farmers) and regional policy (EC state aid rules prohibit the high level of support Norway gives its Northern regions). Adoption of the Common Foreign and Security Policy acquis should cause no difficulties for Norway as a NATO member.

The Prime Minister might say:

- Welcome Norway's application. UK has long argued case for open Community and early accession by EFTA countries which wish to join.



- As Presidency, will do all possible to ensure quick processing of application. First step is to refer it to Commission for Opinion. Expect this to go through on nod. Will suggest this at 7 December Foreign Affairs Council, and encourage Commission to produce Opinion quickly.
- Working for agreement on future financing at Edinburgh. Other Lisbon condition for official negotiations - Maastricht ratification - will not be met by then. But aiming for sufficient progress at Edinburgh to allow enlargement to begin.
- May have to settle for informal negotiations initially. But the assumption must be that applicants want to join the Union agreed at Maastricht.
- Community might start talks with first three EFTAs on whom we have Commission Opinions (Austria, Sweden, Finland). Negotiations with Norway could begin as soon as Opinion ready. Should not affect timing of your accession. Important point is to end negotiations at the same time. Still aiming for accession around 1995.
- (If raised) Community's opening position will assume your acceptance of full *acquis* on accession. For you to say where you have problems. May be scope for transitional periods/temporary derogations for sensitive issues. But no prospect of permanent derogations.

#### Internal

Mrs Brundtland's minority Labour government took office in 1989, with 34% of the vote. There will be a general election in September 1993. Mrs Brundtland's younger son recently committed suicide (HM Ambassador Oslo advises against referring to this). We believe this was why she recently resigned as Leader of the Labour Party.

#### Points for use with the press

The Norwegians may ask for a press/photo opportunity in Downing Street. We hope that the Prime Minister might agree to a brief doorstep exchange with the press. If so, we recommend that he draws on the following:

- Pleased to receive Norway's application for membership of the Community on behalf of the Council. Will now forward to Community partners.
- Presidency will propose to EC Partners at 7 December Foreign Affairs Council that this be forwarded to Commission for Opinion in usual way.



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- UK Presidency has taken forward work on preparing for accession negotiations with EFTA applicants, as agreed at Lisbon.
- Looking forward to good discussion at Edinburgh on next steps.
- UK has long argued for enlargement. Delighted by Norwegian application and look forward to her joining the Community. UK and Norway have very close ties. We were in EFTA together. Hope we will soon be joined again in the European Community

/ I enclose a Personality Note on Mrs Brundtland.

I am copying this letter to Jeremy Heywood (HM Treasury), David Barnes (MAFF), Elizabeth Jones (DTI) and Melanie Leech (Cabinet Office).

*Yours ever,*

*R. Gozney*

(R H T Gozney)  
Private Secretary

J S Wall Esq CMG LVO  
10 Downing Street

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CALL ON PRIME MINISTER BY NORWEGIAN PRIME MINISTER,  
MRS BRUNDTLAND, 25 NOVEMBER

POINTS TO MAKE

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**MRS GRO HARLEM BRUNDTLAND**

Prime Minister of Norway since November 1990. Chairman of the Norwegian Labour Party from April 1981 to November 1992 and Labour MP for Oslo.

Born in Oslo in April 1939, the daughter of Professor Gudmund Harlem.

Degree in medicine, 1963. Postgraduate student at Harvard, 1964. Assistant Medical Officer in the Directorate of Health Services, 1965. Subsequently worked in the Children's Department of two Oslo hospitals. Assistant Medical Superintendent for Schools in Oslo, 1969. Her early political activity included a period as Vice Chairman of the Federation of Socialist Secondary School Pupils and the Labour Party Students' Federation.

Minister of the Environment from 1974-79. Deputy Chairman of the Labour Party, 1975-81. First elected to the Storting in 1977. Chairman of the Storting Foreign Affairs Committee in 1981, Parliamentary leader of the Labour Party 1981-86 and since 1989. Prime Minister February to October 1981 and again 1986-89. Leader of the Storting Foreign Affairs Committee October 1989 to November 1990.

She was dropped from the Cabinet in October 1979, after Labour's poor showing in local elections. This reflected criticism of her performance as Deputy Chairman of the party rather than as Minister, and bitter infighting within the party. But she rebounded from this set-back and became a popular personality in the party, as her election as Nordli's successor in 1981 showed. She has since been the unchallenged leader of the party and its main asset. She has frequently had to temper her views and policies to accommodate various factions within the party. As Prime Minister of the Labour minority government from 1986-89 she did not pursue any radical policies but sponsored a sensible and partly successful attempt to tackle Norway's economic difficulties. In the process she did well to keep the Cabinet united, and her authority over her Ministers was assured.

Following the resignation of the Labour Government in October 1989 there were rumours of Mrs Brundtland leaving Norwegian politics, but in the event she continued active in Parliament as a thorn in the side of the Syse Government, especially on foreign affairs. She returned to power in November 1990 on an unprecedented surge of Labour Party popularity and steered her new Government competently through its first year, although without any outstanding successes or reforms. In autumn 1991 her name was put forward (by others) for the position of UN Secretary General but she came bottom of the poll at the election in November. Whatever her true intentions in the matter may have been, the outcome left

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her with no option but to focus on her national responsibilities which she did with renewed vigour over the turn of 1991-92. Her key challenge currently is to steer her Party and her country towards EC Membership - which she herself favours - without causing irreparable splits.

Mrs Brundtland is at home with and sound on all main foreign and defence policy issues but her own greatest enthusiasms are for the environment and on women's rights. She was chairman of the UN World Commission on Environment and Development and responsible for the widely acclaimed Brundtland Report, for which she has been awarded a number of international prizes. She played a prominent part at the follow-up UNCED meeting at Rio de Janeiro in June 1992.

In person she is strong and straightforward with a robust public style. Her almost unchallenged position of authority in Norwegian politics can lead her to be over-sharp with opponents, though she tries to control this. She knows Britain well, having lived here for a period before her marriage, and visited several times since. She was a sponsored visitor in 1976. She is a good friend to the UK but will not hesitate to argue and criticise if she thinks it necessary, as in the past over acid rain. Her command of English, like everything else about her, is brisk and business-like.

She married Arne Olav Brundtland. an academic expert on international affairs; they get on well, are fond of sailing and he is justifiably proud of her. They have had four children, one in the Ministry of Foreign Affairs. Mrs Brundtland was devastated earlier this autumn by the suicide of her youngest son. She is thought to have resigned her Chairmanship of the Labour Party earlier this month in order to spend more time with her family.

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CALL ON PRIME MINISTER BY NORWEGIAN PRIME MINISTER,  
MRS BRUNDTLAND, 25 NOVEMBER

POINTS TO MAKE

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WRB

Foreign &  
Commonwealth  
Office

London SW1A 2AH

19 November 1992

1/1 *same name*  
S. 11/11

1/1 file

*De*

Dear Stephen,

Enlargement: Call on the Prime Minister  
by the Norwegian Prime Minister

Thank you for your letter of 16 November offering Prime Minister Brundtland a half hour call on the Prime Minister at 1000 on Wednesday 25 November. *attached*

This is now firm. The Norwegians have asked whether she might be accompanied on the call by three officials: the Norwegian Ambassador, Mr Ketil Børde (Deputy Director of the Norwegian MFA); and Mr Jonas Støre (Special Adviser at the Norwegian Prime Minister's Office). If I don't hear from you to the contrary, we will tell them on 20 November that this is alright. I will consult you next week, if I may, about who might attend on our side.

||

Yours ever,  
Christopher Prentice

(C N R Prentice)  
Private Secretary

Stephen Wall Esq  
10 Downing Street





10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

17 November 1992

*Jan Beverley*

LETTER FROM MRS. BRUNDTLAND: MEETING OF EC/EFTA  
FINANCE MINISTERS

Thank you for your letter of 16 November.

We are trying to fix a meeting between the Prime Minister and Prime Minister Brundtland of Oslo on Wednesday, 25 November. I am sure the Prime Minister will have no objection to the course of action suggested in your letter.

I am copying this letter to Richard Gozney (Foreign and Commonwealth Office) and to Melanie Leech (Cabinet Office).

*JWS*  
*Spoke*

J. S. WALL

Miss Beverley St. Quinton,  
HM Treasury

*Five  
MBA*

*de*



10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

16 November 1992

b.c. Sandra Phillips  
✓  
Nord.  
Chris will  
negotiate an  
FCS bilateral  
p.a. 17

*Dear Christopher,*

**ENLARGEMENT: CALL ON THE PRIME MINISTER BY  
NORWEGIAN PRIME MINISTER**

You told me that it was now confirmed that Mrs. Brundtland would be ready to come to London in the week of 23 November to deliver the Norwegian application to the EC.

The only time the Prime Minister has free is at 1000 on Wednesday, 25 November when he could see Mrs. Brundtland for about 30 minutes. I should be grateful if this time could be offered to her Office.

I am copying this letter to Melanie Leech (Cabinet Office).

*Yours,  
Sandra*

MISS SANDRA PHILLIPS

Christopher Prentice, Esq.,  
Foreign and Commonwealth Office



Foreign &  
Commonwealth  
Office

London SW1A 2AH

12 October 1992

Prime Minister (1)

His was confirmed that

she would be here on  
23rd Nov.

Dear Stephen,

You could not readily see her on Tuesday but  
could manage the morning of 23 Nov.

1000

OK

Enlargement: Possible Call on prime Minister by  
Norwegian Prime Minister

13/10

A Norwegian application to join the Community is imminent. Prime Minister Brundtland and most members of her minority Labour government are in favour. The Norwegian Conservative Party (Hoyre) and the other major opposition parties are longstanding supporters. The Labour Party Conference on 5-8 November is expected to decide to apply. Thereafter the Norwegian Parliament must be consulted (support is guaranteed) and the formal decision must be taken at a meeting of the King in Council, probably on 20 November.

It has become traditional for the Head of Government of an applicant state to go to the Presidency capital to hand over the application in person to the President of the European Council. The then Swedish Prime Minister Carlsson did so in the Hague last July. Finnish Prime Minister Aho went to Lisbon in March. Mrs Brundtland's office have asked whether she could come to London on 23 or 24 November. For Norway to be considered alongside the other EFTA applicants, her application must be lodged by 27 November (so that it can be referred to the Commission for its Opinion before the Edinburgh European Council). The Norwegians have made this approach privately to HMA Oslo, stressing its sensitivity; they cannot make a formal request until a decision to apply.

A meeting could be very brief, but would have great symbolic value. We have supported a Norwegian application, and said we would do our best to include them in the first wave of EFTA entrants. The meeting itself would send an important political signal. If a suitable slot can be found, the Foreign Secretary recommends that the Prime Minister agree to see Mrs Brundtland. We would say nothing publicly now, but ask HMA Oslo to confirm the contingency arrangements with Mrs Brundtland's office.

I am copying this letter to Melanie Leech (Cabinet Office).

Yours ever,  
Christopher Prentice.

(C N R Prentice)  
Private Secretary

J S Wall Esq  
10 Downing Street

UNCLASSIFIED



BY FAX

5 November 1992

S Webb Esq  
ECD(E)  
FCO

*Mr. Prentice, PS*  
*cc. Mr. Lyne, WED*  
*Me again*  
*of Hentzer*

British Embassy  
Oslo

Thomas Heftyesgate 8  
0244 Oslo 2

Telephone: (02) 552400  
Facsimile: (02) 55 10 41

*Ed!*  
*Dear*

*BU 10/xi*  
*CP*

TIMETABLE FOR NORWEGIAN EC APPLICATION

1. We spoke on the telephone about this. We have not been pressured any further in the meantime by Mrs Brundtland's office and are happy to stand by until you can brief us on No 10's plans.

2. Meanwhile you may like to note the following, up-to-date account of the Norwegians' own timetable which was printed in "Dagbladet" today:

- 8 November Labour Party Conference votes on EC application (as part of general Party programme)
- 9-11 November Nordic Council meeting in Aarhus: Mrs Brundtland briefs other Nordic leaders and the Council on Norway's decision
- Week of 16 November Statement, debate and vote in the Storting
- "Week of 23 November" (sic) Mrs Brundtland delivers application to Mr Major
- 30 Nov-6 Dec Norwegian PM, Foreign Minister and Trade Minister visit various European capitals
- Week of 7 Dec Edinburgh European Council discusses Norwegian application.

3. Grateful if ECD(E) could pass a copy of this to WED.

*Yours ever,*  
*Alyson J K Bailes*

Alyson J K Bailes  
Deputy Head of Mission

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Foreign &  
Commonwealth  
Office

London SW1A 2AH

23 April 1992

Dear Stephen,

Visit by the Prime Minister of Norway

The Norwegian Prime Minister, Mrs Brundtland, is visiting London this week for a meeting of the World Commission on Environment and Development. As we discussed, she asked for a call in No 10 but the Prime Minister was not in London at the times proposed.

In order not to cause any offence - especially since the Prime Minister is now seeing Prime Minister Bildt of Sweden on 7 May and the Nordics watch one another like hawks - the Prime Minister might wish to send Mrs Brundtland a short message, perhaps on the following lines:

*I have not been in London during*  
"I am so sorry that ~~other commitments prevent me from~~  
~~seeing you on your visit to London~~ this week. I hope we  
will have better luck next time, and that we will be able  
to ~~fit in a meeting~~ soon."

Yours ever,

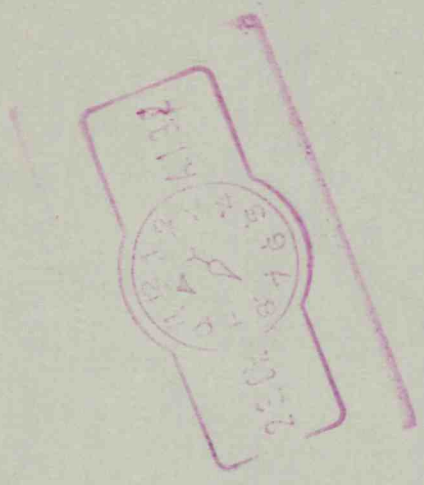
Christopher Prentice.

(C N R Prentice)  
Private Secretary

J S Wall Esq CMG LVO  
10 Downing Street

*910 Harlem Boulevard*

British  
Columbia  
Office  
Victoria



*Royal Norwegian Embassy*

London, 13 March 1991

Enclosure

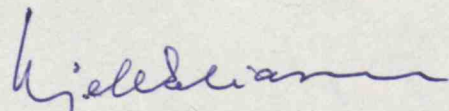
*CDP  
15/3*

The Prime Minister's Office  
10 Downing Street  
London SW1

Dear Sirs,

I have the honour to forward a letter from the Norwegian Prime Minister, Mrs Gro Harlem Brundtland to the Right Honourable Prime Minister John Major.

Yours faithfully,



Kjell Eliassen  
Ambassador

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No: T59N/91



THE PRIME MINISTER

④  
Prime Minister  
EAM  
15/3

SUBJECT *of MASTER*  
*OPS*

*Filed on Norway: Relations*  
*RZ*

✓ Oslo, 28 February, 1991.

Dear Prime Minister,

I would like to thank you for the very pleasant and interesting discussion we had in Downing Street two weeks ago. I appreciated very much this opportunity to meet you and to exchange views, and I look forward to continued contacts and cooperation.

With my warmest regards,

Gro H. Brundtland

Gro Harlem Brundtland

His Excellency The Rt Hon John Major  
Prime Minister of the United Kingdom of  
Great Britain and Northern Ireland  
London





THE PRIME MINISTER



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OF 141430Z FEBRUARY 91  
INFO ROUTIEN UKREP BRUSSELS  
INFO SAVING STOCKHOLM, HELSINKI, COPENHAGEN, REYKJAVIK

PRIME MINISTER'S MEETING WITH NORWEGIAN PRIME MINISTER, 13 FEBRUARY:  
NORWEGIAN PRESS COVERAGE

## SUMMARY

1. FULL AND POSITIVE PRESS COVERAGE OF PRIME MINISTERS' BILATERAL ON 13 FEBRUARY. NO (NO) REFERENCE TO NEW BRITISH REQUESTS ON THE GULF.

## DETAIL

2. ALL 5 NATIONAL DAILIES ON 14 FEBRUARY HAVE GOOD COVERAGE OF THE PRIME MINISTER'S MEETING WITH NORWEGIAN PRIME MINISTER, MRS BRUNDTLAND, IN LONDON THE PREVIOUS DAY. THEY STRESS THE GOOD RAPPORT ESTABLISHED: THE PM IS QUOTED AS DESCRIBING MRS BRUNDTLAND AS 'SPLENDID AND INTERESTING TO TALK TO', AND MRS BRUNDTLAND AS DESCRIBING THE PM AS 'CHARMING AND WELL INFORMED'. THEY NOTE THAT THE MEETING LASTED TWICE AS LONG AS PLANNED.

3. THE GULF, NORWEGIAN FISH EXPORTS TO THE EC, THE SOVIET UNION/ BALTIC AND THE ENVIRONMENT ARE REPORTED AS HAVING BEEN DISCUSSED WITH THE FOCUS ON THE FIRST TWO ISSUES. THE PRIME MINISTER IS SAID TO HAVE EXPRESSED SATISFACTION WITH THE CURRENT LEVEL OF NORWAY'S GULF CONTRIBUTION, INCLUDING THE FIELD HOSPITAL AND OTHER INDIRECT HELP TO BRITISH FORCES AND THE ANTI-OIL SPILLAGE EQUIPMENT NORWAY HAS SENT TO SAUDI ARABIA. ONE PAPER (DAGBLADET) SAYS SPECIFICALLY THAT '(THE PM) DID NOT REQUEST ANY OTHER HELP'.

4. MRS BRUNDTLAND IS DEPICTED IN THE REPORTS AS MAKING SPECIAL EFFORTS TO ARGUE THE CASE FOR NORWEGIAN FISH EXPORTS TO THE EC UNDER THE EEA. SHE TOLD NORWEGIAN JOURNALISTS AFTERWARDS THAT SHE HAD EXPLAINED THAT NORWAY WAS NOT (NOT) ABLE TO ALLOW THE EC FREE ACCESS TO NORWEGIAN FISHING GROUNDS, BUT MUST BE ABLE TO SELL FISH PRODUCTS DUTY FREE TO THE EC BECAUSE OF ITS SPECIAL NEEDS AS A FISHING NATION.

MRS BRUNDTLAND FELT IT HAD BEEN VALUABLE TO BRIEF THE PM PERSONALLY ON THIS. SHE ALSO RAISED NORWAY'S DESIRE FOR BETTER ACCESS TO THE BRITISH ENERGY MARKET, ACCORDING TO THE FT-EQUIVALENT, 'DAGENS NAERINGSLIV' (DNL). DNL SAYS THE NORWEGIAN OIL MINISTER, FINN KRISTENSEN, WILL TAKE UP THE QUESTION OF THE NORTH SEA MARKET IN

RELATION TO THE EEA NEGOTIATIONS WHEN HE ATTENDS ANGLO-NORWEGIAN  
MINISTERIAL TALKS (THE COORDINATING COMMITTEE) IN LONDON ON 6-7 MARCH

5. PLEASE SEE MY MIFT (NOT TO ALL)

RATFORD

FCO PASS SAVING  
YYYY

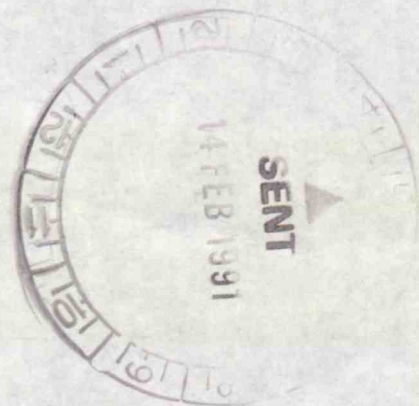
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~~PS~~  
PS/PUS  
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Meeting Record

“ MASTER.

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C:/forej-Norway

MEM



10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

13 February 1991

Dear Richard,

PRIME MINISTER'S MEETING WITH THE NORWEGIAN PRIME MINISTER

The Prime Minister had a talk this evening with the Norwegian Prime Minister, lasting about an hour. Mrs. Brundtland was accompanied by the Norwegian Ambassador and by a Private Secretary. It was an equable meeting, notable for some deft manoeuvring by Mrs. Brundtland to avoid being faced with a request for a financial contribution to the costs of our military operations in the Gulf.

Funeral of King Olav

Mrs. Brundtland said that the attendance by members of the Royal Family at King Olav's funeral had made a very favourable impression in Norway, emphasising the continuity and closeness of our relations. The Prime Minister spoke of the great respect felt in this country for King Olav.

Baltic Republics

The Prime Minister told Mrs. Brundtland that he was hoping to see President Gorbachev in early March. He wanted to obtain a first hand impression of the situation in the Soviet Union, who was really in charge and what the prospects were for the Baltic Republics. Mrs. Brundtland said that she had noticed a distinct change in Mr. Gorbachev when she had last seen him at the CSCE Summit in Paris last November. He had lost his warmth, spontaneity and easiness. He appeared worn down by the problems of the Soviet Union. He had told her privately at the time that it had been very difficult for him to leave Moscow to attend the CSCE Summit.

The Prime Minister said that we were not convinced that the Baltic Republics were always entirely wise in their tactics. They should be encouraged to take a step-by-step approach to independence. Mrs. Brundtland said that the Nordic countries had been giving exactly this advice. Some of the Baltic leaders were sensible, although Landsbergis was a bit of a loose cannon. She thought it would be helpful to confront Gorbachev directly with the Western view of Soviet conduct in the Baltic Republics. The Prime Minister said it was as important to explain our views to the Soviet military and others. We had to keep in mind that the big prize was to see reform continue in the Soviet Union. Mrs. Brundtland said that we must also convince people in the Baltic

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Republics that a more nuanced and gradualist approach was preferable.

Europe

Mrs. Brundtland said that she had noted the success of the Prime Minister's meeting with Chancellor Kohl. The impression was that they had decided that solutions would definitely be found to some of the problems which divided the EC. Norway was particularly interested in the discussions about a common security policy. They wanted NATO to have a European pillar and they would like to be part of that, although they could not join WEU. Perhaps some sort of observer status would be possible.

The Prime Minister said that he wanted Britain to be at the centre of the debate about the future of Europe. He believed other countries wanted us to be there. The Inter-Governmental Conferences should aim at agreed solutions which could be accepted by all the Twelve. That would not be easy, but it could be done. He was more dubious whether there would really be a common foreign policy: it was more likely to be a question of a little more co-ordination. We were happy to see WEU develop, not at the expense of NATO but as a bridge between NATO and the EC. Under no circumstances were we prepared to take risks with NATO.

The Prime Minister asked Mrs. Brundtland how opinion in Norway was moving on membership of the European Community. Mrs. Brundtland said that politicians of all persuasions in Norway were very conscious of what had happened in 1972. They did not want a repeat of the 'war' there had been then. Unfortunately the 'no' vote was gaining ground steadily in Norway, not just in relation to membership of the EC, but also to the EC/EFTA agreement. She was anxious to see the latter completed as soon as possible. But there was a major problem for Norway over fishing. There had to be a solution which put Norway at least on a par with Iceland, otherwise the government would not get the agreement through the Norwegian Parliament. Unfortunately Britain and some other EC member states were taking the position that EC vessels should be able to fish around Norway. It had been understood from the beginning that natural resources would not be covered by the EC/EFTA agreement: and anyway Norway's fishing resources were at a very low level at present. A solution might be found on the lines of that employed during the EC enlargement negotiations in 1986, when a statement had been made to the effect that access to fishing stocks was a matter which could be taken up again in future if stocks increased. A similar declaration could be annexed to the EC/EFTA agreement: and Norway might be able to offer also concessions in other sectors. One other problem was the need to find some sort of joint arbitration procedure or court to adjudicate on implementation of decisions and resolve disputes. This should not be too difficult. Mrs. Brundtland repeated her concern that agreement should be reached as rapidly as possible before the political climate in Norway deteriorated further.

The Gulf

The Prime Minister complimented Mrs. Brundtland on Norway's prompt help towards dealing with the oil slick in the Gulf. Mrs. Brundtland said that the provision of assistance to the Allies in the Gulf had been controversial in Norway, but she had insisted on meeting the British request for a field hospital. In addition 1.6b krone had been made available in financial assistance to Egypt and Turkey, which compared very favourably with the scale of assistance from other countries. Mrs. Brundtland hurried on that she had particularly welcomed the Prime Minister's statement in Bonn that the Allies' war aims were exactly those set out in the United Nations Security Council resolutions. The Americans tended to suggest that the aims had been widened. This could put at risk the remarkable international consensus against Iraq. It now seemed that the Soviet Union was in the process of persuading Iraq to negotiate. This might be a sign that Saddam Hussein was feeling the pressure. The Prime Minister said that he was very sceptical whether there had been any change in Iraq's position. He thought the Soviet motives were more connected with improving their position in the Arab world.

Mrs. Brundtland said that, after the conflict, an attempt should be made to impose a comprehensive system of control on the supply of weapons and chemical precursors to the area. The Prime Minister said that some restrictions would certainly be necessary. But he wanted to come back to the British military contribution in the Gulf which was very substantial and was costing us heavily. Mrs. Brundtland saw this coming and moved on incisively to propose that the two Governments should exchange views on the Lubbers initiative for energy co-operation with the Soviet Union. Britain and Norway had very common interests here. She then discovered that it was time to leave and shot from the room, leaving copies of her speech at the World Economic Forum in Davos and her Tanner Lecture on Human Values, which I enclose. Not quite what OPD(G) had in mind as a Norwegian contribution I'm afraid.

I am copying this letter to Jeremy Heywood (Chief Secretary's Office), Simon Webb (Ministry of Defence), John Neilson (Department of Energy), Martin Stanley (DTI) and Sonia Phippard (Cabinet Office).

*Yours man,  
Charles Powell*

CHARLES POWELL

Richard Gozney, Esq.,  
Foreign and Commonwealth Office

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TEMPORARILY RETAINED

THIS IS A COPY. THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (4)  
OF THE PUBLIC RECORDS ACT

PRIME MINISTER

MEETING WITH THE NORWEGIAN PRIME MINISTER

You have a talk tomorrow afternoon with Mrs. Brundtland, the Norwegian Prime Minister. She is over here to give the annual Tanner Lecture at Cambridge on her favourite subject of the environment ("Environmental Responsibilities Towards Future Generations").

I cannot remember whether you have met Mrs. Brundtland before. You will certainly remember if you have. She is a formidable lady of a no-nonsense type - so you had better pay attention, otherwise you will get the sharp edge of her ruler over the knuckles. She has led the Norwegian Labour Party for some years now, but by persuasion seems more of a Social Democrat. Her husband is a fairly prominent Conservative supporter. Her relationship with your predecessor might be described as prickly. Her consuming interest in her life is the environment and development, which she has made her own ever since the days of the Brandt Commission. She is much in demand to chair and address environmental meetings of all sorts. It is the classic Scandinavian syndrome - if you have no problems of your own, you can busy yourself with everyone else's. (I have seen the ANC rustle up a sizeable demonstration in Norway north of the Arctic Circle, which tells you all you need to know about the Norwegians.)

, the Norwegians are sound on important issues. They are reliable members of NATO. They are also edging back towards the European Community. Mrs. Brundtland is personally in favour of Norwegian membership, but the issue is still deeply divisive in the country as a whole and it seems unlikely there will be an application for a matter of years yet.

You should start by expressing your formal condolences on the death of the late King Olav V. We were represented at his funeral by the Lord Privy Seal.

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*How in control*

There are really four main issues to cover in the short time available:

The Baltics

The Norwegians obviously have a close interest in what is happening in the Baltic States, and I am sure Mrs. Brundtland would welcome your views. You might tell her about your intention to visit Moscow in early March, and point out the need for realism: we cannot expect Gorbachev simply to grant them independence and risk the break-up of the Soviet empire. The Baltics have got to box clever and that should be our advice to them.

European matters

You could explore her personal thinking about membership of the EC, and the intentions of other Scandinavian countries. The Swedes are quite likely to apply later this year and even the Finns have indicated that they might in due course make an application. Much depends, for the Scandinavians, on what sort of European Community it is going to be. They are instinctively more attracted to the sort of Community we favour, i.e. one in which a good deal of independence of national action remains. So in one sense they might be quite a plus from our point of view. On the other hand, they are basically socialist in orientation and believers in high public spending: so once in the EC they might well support a lot of policies we do not much favour. I do not think we should lean over backwards to get them in. Meanwhile the focus is on achieving agreement between the EC and EFTA to set up a European Economic Area. The negotiations are due to conclude this summer.

Environment

On environmental issues you might compliment Mrs. Brundtland on Norway's brisk response to the Gulf oil slick: they have sent an oil pollution control ship, as well as a lot of booms. She is quite likely to have at you on acid rain where the Norwegians continue to believe, contrary to much evidence, that our power stations are responsible for killing off their trees and crayfish. She may also attack you on the subject of Dounreay



which the Norwegians believe will irradiate North Sea fish. If you wish to touch a sore point, you might reproach her for the Norwegians' desire to resume commercial whaling: the international consensus (i.e. Tony Banks) is against this.

The Gulf

Finally the Gulf. Having charmed her out of the trees on these other issues, you will want to get in a swift request for a sizeable slug of financial help with our costs in the Gulf. The Norwegians have done pretty well out of the Gulf crisis, if you calculate the extra cash they have earned from higher oil prices. The FCO advice appears to be that you should stick out your hand in a "spare a penny for the guy" manner and she may just come across with £50 million. They call it a warm personal approach. Of course we would not dream of suggesting a specific figure, but we really could use the help. If she does not want to part with cash, then assistance in kind such as provision of shipping, could be useful.

A fuller (and more sedate) note by the FCO is in the folder, together with advice from DOE on environmental matters and a personality note.

*CAD*

(C. D. POWELL)

12 February 1991

tmw a:/norway

*P.S. Brand briefing on oil-gas issues arrived late.*



Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

12 February 1991

Dear Charles,

EFTA.

Prime Minister's Meeting with Norwegian Prime Minister,  
Mrs Gro Harlem Brundtland: 13 February at 5.30 pm

Mrs Brundtland is visiting the UK to give the annual Tanner Lecture at Cambridge University on 14 February on "Environmental Responsibilities Towards Future Generations". She will be calling on the Prime Minister for half an hour at her request, accompanied by a Private Secretary and the Norwegian Ambassador, Mr Kjell Eliassen GCMG (CV enclosed). A scene-setting telegram from HM Embassy Oslo is attached.

Mrs Brundtland will wish to discuss the Gulf, developments in the USSR and the Baltics, prospects for a European Economic Area (EEA), the direction of the EC and future European defence and security architecture. She may also raise global environmental issues.

Our objectives for the meeting are:

- to secure a Norwegian contribution to our effort in the Gulf;
- to register our views on the Gulf, the Baltics and European integration.

The Gulf

The Prime Minister might express our warm appreciation of the rapid Norwegian offer of medical and other help in response to our requests. Our Embassy has reported that Mrs Brundtland may be ready to respond to a request for further assistance, either a cash contribution or assistance in kind. Mrs Brundtland is likely to respond best to a warm, personal approach explaining our concerns frankly and seeking her support. We have in mind a contribution of at least £50m, although a case can be made for a higher amount given that Norway has received an extra £1.65bn as a result of higher oil prices. The Prime Minister might say:

- Our costs have risen sharply since outbreak of hostilities. We are committed so far to at least £1.25bn. Depending on events perhaps another £1.5bn or more.

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- Not putting specific figures to our close friends, but would welcome contribution to our costs. Cash sum has greatest public impact.
- (If asked.) Assistance in kind (eg sealift resources) could also be useful.

USSR/Baltics

The Norwegians take a close interest in developments, have been in regular contact with the Baltic governments and have strongly criticised Soviet action. A Norwegian parliamentary delegation recently visited all three Baltic States.

Gorbachev's announcement on 1 February that delegations are to be sent to the three Baltic capitals for wide-ranging "discussions" received a sceptical, though not totally negative response from the Baltic governments. The prospects for effective negotiation are uncertain. The Lithuanian "opinion poll", or referendum on independence on 9 February achieved a very high turnout (85%) and overwhelming support for independence (90% of those voting). The Estonians plan to hold a similar opinion poll on 4 March. Gorbachev has said the polls have no legal basis and intends to hold an all-Union referendum on 17 March. There has been a partial withdrawal of Soviet airborne troops but the existing stationed forces would be enough for further repressive action. The Prime Minister might draw on the following points:

- Believe international response to Baltic events has so far been on the right lines.
- Mixed signals from Moscow. Gorbachev/Soviet leadership seem reluctant to follow through crackdown. Still looking for political way out. May have been influenced by strength of Western reaction.
- But worrying signs: greater powers for KGB; joint army/police patrols; more active intervention by government/party in media affairs. Wider intentions of Soviet leadership not clear.
- Must continue trying to convince Soviet leadership that political and economic liberalisation offer only real answer; delay can only make their introduction more difficult.
- Will be trying to get this message across in bilateral contacts and with Twelve/NATO.

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EC/EFTA

Negotiations on an EEA (European Economic Area), which would extend the Single Market to the EFTA countries, are due to conclude this summer. Substantial progress has been made. But there remains much to do on legal/institutional aspects. We have sought to play a helpful role: the Norwegians recognise this. They are committed to the EEA. The Prime Minister may like to reaffirm our support for the negotiations and stress that we will continue to work hard for a successful outcome.

Mrs Brundtland personally is in favour of Norwegian membership of the Community, but has avoided taking a formal position. Her party and the country are split. The 1972 referendum, which rejected EC entry after the negotiated terms of accession had been accepted by the Norwegian parliament, was traumatic. Mrs Brundtland is determined to avoid a repeat and is working on public and party opinion. Norway may be influenced by the likely Swedish application later this year.

The Prime Minister may like to probe Mrs Brundtland's thinking. He might say that we support the Community consensus that there should be no decisions on enlargement until 1993, but that we see enlargement thereafter as both inevitable and desirable. EFTA countries will rightly be at the head of the queue. Meanwhile a successful EEA will be a useful step towards membership for those countries who wish to apply.

European Integration

In debating the pros and cons of Community membership, the Norwegians are following the two Inter-Governmental Conferences on EMU and political union with interest. If asked, the Prime Minister could say:

- The UK is playing a full and constructive part in both IGCs;
- There is already much common ground on EMU. The UK ideas on a "hard ecu" and a European Monetary Fund have been welcomed as a useful contribution to the debate;
- The process of political union should be incremental. We cannot yet define the ultimate objective;
- Closer co-operation on foreign policy issues among the Twelve is desirable, but must be based on reality: common policies will develop as common interests grow; governments must remain free to take national initiatives when necessary;

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- The political union IGC should therefore agree reforms to make EC institutions more efficient and more accountable.

- We do not want changes that will make it more difficult for countries who wish to do so to join the Community. It must remain open to new members.

European Security

The Norwegians share many of our views. They agree that NATO should remain the basis for our collective defence, and that the Europeans should assume a greater share of responsibility in the Alliance. As non-members of the WEU and EC they are anxious to ensure that their interests are protected, and are following carefully the debate on future European security and the idea of WEU as a bridge between NATO and the EC. The Norwegians have expressed interest in observer status (but not yet full membership) at the WEU and have attended Ministerial meetings during the Gulf crisis.

The Prime Minister might say our objectives are to retain:

- (i) the fundamentals of the Alliance;
- (ii) continued presence of US and Canadian forces in Europe;
- (iii) a sound, collective defence structure.

- This will require the Europeans, particularly after the Gulf conflict, to take on more responsibility for their own defence, within the Alliance. The WEU seems the best means of achieving this objective.

- We have taken the lead in the WEU in arguing that there should be flexible arrangements to involve all European members of the Alliance with the work of a strengthened WEU. This approach has worked well at WEU Ministerial meetings during the Gulf crisis.

Environment

We have no serious differences of opinion with Norway on the major global environmental issues. We fully agree with the preparation of a draft Climate Change Convention, covering greenhouse gas emissions, in time for the 1992 UN Conference on Environment and Development (to be held in Brazil).

The Prime Minister may wish to compliment Mrs Brundtland on the Norwegian response to the Gulf oil slick. The Norwegians are sending an oil pollution control ship to

/Saudi



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Saudi Arabia to stop oil reaching desalination plants, and have offered 2kms of oil booms for the protection of the fresh water plant supply in Riyadh. We have sent six experts and 90 tons of oil pollution control equipment.

Mrs Brundtland may raise continuing Norwegian bilateral concerns:

- Acid rain: we are committed to the EC Directive on Large Combustion Plants and consequent reductions in SO<sub>2</sub> emission, the main cause of acid rain. Our response will use a combination of flue-gas desulphurisation retrofits to power stations and other means, eg, switching to low sulphur fuels.
- North Sea: we are committed to the North Sea Conference process. (If Offshore procurement raised: our policy for free and fair opportunity for UK companies does not discriminate against others.)
- Dounreay: Norwegians concerned about a harmful effect on North Sea fish stocks: no evidence of this.
- Commercial whaling: the Norwegians are keen to resume whaling, particularly of the Minke whale. We want to maintain the moratorium until the scientific advice is clear that whale stocks can be maintained at healthy levels and until a proper management regime is in place.

### Bilateral Relations

The Prince of Wales and The Princess Royal attended the funeral on 30 January of the late King Olav V. Lord Waddington represented HMG. Crown Prince Harald succeeded his father as King.

The UK is easily Norway's largest export market. Two-thirds of her exports to the UK (total £4bn in 1990) are oil and gas. Capital goods for Norway's offshore industry make up the bulk of British exports (total £1.3bn in 1990). Norway ranks seventeenth in the UK's export league and we are their third largest supplier, behind Sweden and Germany.

### Norway: Economy

Oil/gas has replaced forestry and fishing as the mainstay of the Norwegian economy. The government is trying to encourage growth in mainland industry and to reduce the country's over-dependence on North Sea oil. The economy is recovering from a recession. Unemployment is relatively high at over 5%: the Labour government has made its main task in 1991 to increase the number of jobs. Inflation is expected to average 4.1% in 1991.



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Mrs Gro Harlem Brundtland

Mrs Brundtland is 51. A doctor by training and a post-graduate at Harvard in 1964, she had a particular interest in children's medicine. Her two enthusiasms are the environment and women's rights. She was Chairman of the UN World Commission on Environment and Development, which in 1987 produced the widely acclaimed "Brundtland Report". The Report advocated supporting Developing Countries to allow them to develop environmentally friendly industrial bases. She tends to over-react to criticism, but has learned to control her instinct to snap back. She is a formidable opponent in debate, and has become the unchallenged leader of the Norwegian Labour party and its main asset. She has frequently had to temper her views and policies to accommodate factions within the party.

Mrs Brundtland was Prime Minister of Norway for eight months in 1981 and again from 1986 to 1989. She agreed on 30 October 1990 to form a Labour minority government following the split of the centre-right minority coalition government over Norway's position in the EEA negotiations. Under the Constitution, general elections can be held only every four years. The next is due in September 1993.

Mrs Brundtland knows Britain well; she lived here for a period before her marriage, and has visited several times since. She called on Mrs Thatcher in London in 1987. She is a good friend to the UK but does not hesitate to criticise us over environmental issues, such as acid rain. Her English, like everything else about her, is brisk and businesslike.

*Yours ever,  
Christopher Prentice.*

(C N R Prentice)  
Private Secretary

Sir Charles Powell  
10 Downing Street

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MR KJELL ELIASSEN

Norwegian Ambassador in London since 1988.

Born 1929 near Oslo.

Law studies 1952. Entered the Foreign Service in 1953.  
Postings in Belgrade, Moscow (twice) and London (1960-63).

Involved in negotiations on oil and gas pipelines from the Ekofisk field (1973-77) and in negotiations with USSR (1976).

Deputy Under-Secretary (Legal Division) 1973-77. Ambassador in Belgrade 1977-80. Permanent Secretary, Ministry of Foreign Affairs 1980-84. Ambassador in Washington 1984-88.

Intelligent, experienced, urbane and effective. Can be tough when necessary.

Married. Honorary GCMG following The Queen's State Visit to Norway in 1981.





cc: [signature]  
2 MARSHAM STREET  
LONDON SW1P 3EB  
01-276 3000

Ms Caroline Slocock  
Assistant Private Secretary to  
the Prime Minister  
10 Downing Street  
LONDON  
SW1

My ref:

Your ref:

12 February 1991

Dear Caroline

**1992 UN CONFERENCE ON ENVIRONMENT AND DEVELOPMENT**

I enclose briefing for the Prime Minister's meeting with Mrs Brundtland. You will see that one of the briefs mentions the above Conference, which will be held in Brazil, 1 - 12 June 1992 at Head of Government level. You may already have this noted in the Prime Minister's diary, but if not, could I please ask you to make a note of the dates.

Please let me know if you need any further information about the 1992 Conference at this stage.

Yours

[Signature of Richard Shaw]

RICHARD SHAW  
Private Secretary

BRIEF FOR THE PRIME MINISTER'S MEETING WITH MRS GRO HARLEM BRUNDTLAND

- (i) The World Commission on Environment and Development
- (ii) The United Nations Conference on Environment and Development 1992
- (iii) University of Cambridge Global Security Lectures

(i) Mrs Brundtland chaired the World Commission on Environment and Development, which published in 1987 the Report "Our Common Future" (or Brundtland Report). The Report analysed the major environmental and developmental problems facing the world and proposed strategies for addressing those problems. The central message of the Report is the need for sustainable development based on a new era of economic growth and the integration of environment and development.

The UK strongly supports the theme of sustainable development and has welcomed the Brundtland Report. In July 1988 the UK published a booklet (containing a foreword by Mrs Thatcher) presenting a national perspective on the issues and proposals contained in the Brundtland Report. In May 1990, the UK played an active part in the Bergen Conference which reviewed implementation of the Brundtland Report. The UK worked closely with non-governmental organisations during preparations for the Bergen Conference and has since continued to meet NGOs regularly.

(ii) The 1992 UN Conference (UNCED or ECO '92) will be held in Brazil, June 1-12 at Head of Government level. The Conference marks the 20th anniversary of the 1972 UN Conference on the Human Environment. It is hoped that the 1992 Conference will be the occasion for signature of new international agreements on climate change, conservation of biodiversity and possibly forestry. The Conference will also agree an agenda for further international environmental work and priorities and produce a declaration of environmental rights and principles.

The UK is participating actively in the preparations for the 1992 Conference. We are one of the few countries to have submitted a national report (the Environment White Paper "This Common Inheritance"), we are providing financial support so that developing countries can attend the main preparatory meetings and we are working closely with the non-governmental community through the UK National Committee.

(iii) The University is organising a series of Spring Lectures on the subject of environmental security. The Secretary of State for the Environment was invited to give the closing lecture on 17 March, but he was unable to accept. Mrs Brundtland will be presenting the Clare Hall Tanner Lecture on environment and development on 14 February. Her lecture has been incorporated into the series of lectures on global security.

Department of the Environment  
11 February 1991

## DRAFT BRIEF FOR MR MAJOR'S MEETING WITH MRS BRUNTLAND

### CLIMATE CHANGE

We understand that Mrs Bruntland will wish to discuss climate change during the meeting on 13 February.

### **BACKGROUND**

Norway has been among the leading countries pressing environmental issues in international fora. Mrs Bruntland herself chaired the UN Commission on Environment and Development, whose report - Our Common Future - coined the phrase 'sustainable development.' The UK's response to the Report, "Our Common Future - a perspective on the report of the World Commission on Environment and Development", was published in July 1988 and was followed by the report "Sustaining our Common Future - a progress report on implementing sustainable development", published in September 1989.

Norway hosted a conference of the UN Economic Commission for Europe in Bergen in May 1989 to follow up the Bruntland Report. The negotiation of the Ministerial Declaration for this meeting focused on the issue of climate change and in particular on CO<sub>2</sub> targets. The final text included a commitment from many countries - though not the UK, USA, USSR - to stabilise CO<sub>2</sub> emissions at 1990 levels by the year 2000. Norway was among the stronger advocates of this target.

### FRAMEWORK CONVENTION ON CLIMATE CHANGE

The first negotiating session for a framework convention on climate change runs from 4 - 14 February in Washington. Some 100 countries are represented. In their statement to the opening session the Norwegian delegation highlighted 5 points -

- the need for developed countries to stabilise CO<sub>2</sub> and

other greenhouse gas emissions (excluding CFCs which are dealt with under the Montreal Protocol) at 1989 levels by the year 2000

- commitments to be made on a comprehensive basis, addressing all sources and sinks for greenhouse gases;
- the need for the most cost effective solutions, including the possible trading of emission permits among countries;
- the need to assist developing countries to meet their obligations under the convention and its related protocols;
- the need for the Inter-Governmental Panel on Climate Change to continue its scientific work to support the negotiations.

#### UK POSITION

The UK would broadly support the Norwegian points. The UK has set itself the conditional target of returning CO<sub>2</sub> emissions to 1990 levels by 2005, and combined with action we are taking on other greenhouse gases, the total contribution to global warming will fall by 20% by 2005.

We agree that the convention needs to address all sources of greenhouse gas emissions and all sinks, in particular forests. This represents a shift in the Norwegian position which had been in line with most other European countries in pressing for specific commitments on CO<sub>2</sub> emissions. We understand that this more cautious approach results from detailed discussion in government and particularly the views of the Finance and Energy Ministries.

The UK has not ruled out the possible use of a tradeable permit scheme as one measure to help tackle climate change. However, the details of such a scheme would present formidable difficulties and a good deal more analysis is needed to develop ideas for such a system.

We agree strongly on the need for the convention to provide assistance to developing countries - financial or technological - which enables them to play their full part in the international response. Such assistance should be tied to their commitments under the convention and should deal with the incremental costs of meeting these obligations. We hope that the Norwegians share our view that the Global Environment Facility established by the World Bank should be the sole mechanism for providing financial assistance.

As Chairman of IPCC Working Group I on the science of climate change we are keen to see it continue its work to support the negotiations.

## LINE TO TAKE

- welcome co-operation between UK and Norway on climate change, and most importantly in negotiations now underway to prepare framework convention; hope to see agreement not only on framework but on substantive commitments by deadline of June 1992;

- share Norwegian view on need for negotiations to look at all types of greenhouse gas emissions, and ways of protecting and increasing carbon sinks, principally through action on forests;

- also agree strongly on need for measures to tackle climate change to be most cost-effective; have not ruled out idea of tradeable permits scheme and would welcome ideas Norway may have for further work on this topic;

- if convention is to be a success, it must embrace commitments not only from the developed countries - notably the USA - but also from key developing countries; thinking in particular of China, India, Brazil, Indonesia, Mexico who contribute bulk of emissions from developing countries and of course USSR;

- we need to find best ways of bringing developing countries into the negotiating process; we would welcome views and ideas Mrs Bruntland may have, in light of experience on UN Commission on how to achieve effective participation of developing countries in the negotiations and how to persuade them to contribute to controlling greenhouse gas emissions and conserving the forests;

- certainly will need to look at ways of helping developing countries play full part in international response; if they make specific commitments under convention, will need to look at funding of the incremental costs they incur meeting these obligations, and at ways of promoting diffusion of environmentally sound technologies;

- UK funding study into technologies of most use to developing countries under United Nations Conference on Environment and Development; share Norwegian support for World Bank GEF as

mechanisms for channelling such funding to developing countries; do not think will need another mechanism for this under the convention; UK very ready to discuss with Norway results of that study;

- UK position is as announced in White Paper; ready to return CO<sub>2</sub> emissions to 1990 levels by 2005, provided other countries play their full part; will contribute to reducing UK contribution to global warming by 20% by 2005; target was result of detailed work on what was possible and affordable; do not see scope for tightening target;

- UK supports continuation of IPCC to provide help to negotiations on convention; will be prepared to continue our support for Working Group I and to contribute to other groups' work;

- heard from Washington that UK and Norwegian delegations as always working well together; look forward to continued collaboration on climate change, and of course would be glad to promote further bilateral discussions.



COLIN MOYNIHAN MP



Department of Energy  
1 Palace Street  
London SW1E 5HE  
071 238 3159

Barry Potter Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

12 February 1991

*Dear Barry*

I understand that the Foreign Office have already provided briefing on the main issues to be discussed at the Prime Minister's meeting with Mrs Bruntland tomorrow.


Whilst this is only a short meeting, Ministers here were keen that we should provide you with some material on the main Anglo-Norwegian oil issues prevailing at present. Attached are some bull points on which the Prime Minister might like to draw should Mrs Bruntland raise any of these particular issues.

She is known to be fairly vocal on the question of UK protectionism and the aim of the Norwegians to establish imports of gas to the UK is very topical in Norway at present.

I hope this is helpful.

*Yours*

ANDY MITCHELL  
Private Secretary



MEETING BETWEEN THE PRIME MINISTER AND MRS BRUNDTLAND:  
13 FEBRUARY 1991

Bull points on Anglo-Norwegian oil and gas issues (if raised)

CHARGES OF UK PROTECTIONISM IN THE OIL AND GAS MARKET

- The UK Continental Shelf (UKCS) offers an internationally competitive arena for oil and gas related companies.
- Wide range of companies involved regardless of nationality.
- This clearly demonstrated by nationalities of licensees and significant orders placed abroad for goods and services.
- Offshore licences awarded on basis of company competence and their exploration programmes not on basis of nationality. We welcome overseas interest.
- Our policy is to ensure through the Offshore Supplies Office that fair commercial opportunity provided for the British offshore industry on the UKCS and in international markets.
- Competition is distorted in many overseas markets by legislation and licensing conditions.

TRADE IN GAS

- We should all be aiming to achieve freer trade in gas throughout Europe in a fair and competitive environment.
- For the UK this means gas being exported as well as imported.
- For Norway it means a willingness to allow a freer movement of gas into as well as out of the Norwegian Shelf and transportation systems.
- For both of us it means ensuring that the gas transmission networks in Europe are not dominated by one or two companies to the exclusion of competitors.
- [If imports of Norwegian gas raised] At a time of significant change in European gas markets we should be considering issues much wider than how important it is for Norway to sell gas to the UK.

RELATIONS BETWEEN OIL CONSUMERS AND PRODUCERS

- Governments neither can nor should fix prices. Open mind on cooperation between oil producers and consumers on other energy matters.

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PRIME MINISTER'S MEETING WITH NORWEGIAN PRIME MINISTER, 13 FEBRUARY  
1991: SCENE-SETTING

## SUMMARY

1. NORWEGIAN POLITICAL SCENE HAS STABILISED SINCE MRS BRUNDTLAND'S LABOUR ADMINISTRATION TOOK OFFICE IN NOVEMBER. BUT CONTINUING PRESSURES TO DECIDE TO WHAT EXTENT NORWAY DESIRES INVOLVEMENT IN THE INTERNATIONAL COMMUNITY HAVE FORCED FOREIGN POLICY, UNUSUALLY, TO THE TOP OF THE POLITICAL AGENDA. BECAUSE OF THE TRADITIONAL HANKERING FOR POLITICAL CONSENSUS, CLEAR-CUT ANSWERS ARE UNLIKELY TO EMERGE - OR TO BE REFLECTED IN NORWEGIAN INTERNATIONAL POLITICAL BEHAVIOUR - FOR SOME TIME YET.

## DETAIL

2. THREE AND A HALF MONTHS INTO HER THIRD TERM OF OFFICE, MRS BRUNDTLAND REMAINS THE UNDISPUTED LEADER OF THE NORWEGIAN POLITICAL SCENE. HER MINORITY LABOUR GOVERNMENT HAS SO FAR ACHIEVED A POLL RATING AVERAGING 45 PER CENT (THE CONSERVATIVES, IN SECOND PLACE, SCORE ONLY 14 PER CENT) AND IS SETTLING INTO AN OPERATIONAL MODE CHARACTERISED BY SHIFTING PARLIAMENTARY ALIGNMENTS: THE SOCIALIST LEFT AND CENTRE PARTIES USUALLY SUPPORT THE GOVERNMENT'S DOMESTIC POLICY PROPOSALS WHILE THE CONSERVATIVE AND PROGRESS PARTIES ARE GENERALLY CO-OPERATIVE OVER EUROPEAN POLICY. NORWEGIAN POLITICIANS ARE TRADITIONALLY DISCOMFITED BY ANYTHING LESS THAN FULL PARLIAMENTARY CONSENSUS. BUT THE CURRENT ARRANGEMENT HAS NOT PRODUCED UNDUE STRAINS SO FAR AND, BARRING THE ADOPTION OF ALL-OUT OFFENSIVE TACTICS BY THE (CURRENTLY LEADERLESS) CONSERVATIVE PARTY, MRS BRUNDTLAND WILL PROBABLY RIDE THE POLITICAL STORMS THAT UNDOUBTEDLY LIE AHEAD IN THE COMING MONTHS.

3. THE ECONOMIC FORECAST IS GENERALLY POSITIVE. BOOSTED BY RECENT HIGHER OIL PRICES, THE ECONOMY CONTINUES TO RECOVER FROM A RECESSION

STARTING IN 1986. INFLATION (3.6 PER CENT IN 1990) IS THE LOWEST FOR 20 YEARS, AND A BALANCE OF PAYMENTS SURPLUS OF CIRCA NOK 24 BILLION (CIRCA POUNDS 2 BILLION) IS EXPECTED FOR 1990. UNEMPLOYMENT, HOWEVER, IS HIGH BY NORWEGIAN STANDARDS (5.2 PER CENT, OR 7.3 PER CENT IF THOSE IN GOVERNMENT JOB SCHEMES ARE INCLUDED) AND EDGING UPWARDS. THE UK/NORWAY BALANCE OF TRADE SURPLUS FOR 1990 WAS SOME POUNDS 2.6 BILLION IN NORWAY'S FAVOUR ALTHOUGH UK EXPORTS SHOWED SUBSTANTIALLY THE GREATER PERCENTAGE INCREASE (27.4 PER CENT TO POUNDS 1.35 BILLION: NORWEGIAN EXPORTS ROSE 9.9 PER CENT TO ALMOST POUNDS 4 BILLION).

4. NATIONWIDE LOCAL COUNCIL ELECTIONS, TO BE HELD IN SEPTEMBER, WOULD NORMALLY NOW ATTRACT ALMOST OBSESSIVE POLITICAL AND MEDIA INTEREST. UNUSUALLY FOR NORWAY, THE MAIN FOCUS OF CURRENT INTEREST IS, HOWEVER, INTERNATIONAL, PRIMARILY THE GULF CONFLICT AND NORWAY'S RESPONSE TO IT (CF. MY TELNOS 76,77 AND 81), BUT ALSO THE BALTIC CRISIS, ON WHICH, DESPITE NORDIC SYMPATHIES, THE GOVERNMENT HAVE SO FAR WITHSTOOD POPULIST AND PARLIAMENTARY CALLS FOR MORE ACTIVE SUPPORT AND SEEM FAIRLY COMFORATABLE IN THEIR PRESENT LINE OF HOLDING BACK FROM DIPLOMATIC RECOGNITION TO CONCENTRATE ON MORE PRACTICAL AID.

5. UNDERLYING THE GOVERNMENT'S RESPONSE TO BOTH ISSUES IS THE DAWNING REALISATION THAT IT IS NOT IN NORWAY'S BEST INTERESTS TO STAY ON THE FRINGE OF THE INTERNATIONAL COMMUNITY. THE SPECTRE OF ISOLATION PERVADES THE THINKING OF MANY IN THE POLITICAL AND ECONOMIC MILLIEU, INCLUDING THE LABOUR LEADERSHIP (ALTHOUGH THEY WOULD NOT ADMIT THIS), AND IT IS GENERATING INCREASING PRESSURE FOR NORWAY TO ADAPT TO AND BECOME MORE ENGAGED IN A CHANGING EUROPE EVEN IF THAT IMPLIES ASSOCIATION WITH A MORE FORCEFUL EUROPEAN GLOBAL STRATEGY THAN NORWEGIANS HAVE HITHERTO ENDORSED. HOWEVER, LARGE SECTORS OF PUBLIC OPINION (INCLUDING MANY LABOUR PARTY SUPPORTERS) HAVE YET TO CATCH UP WITH SUCH THINKING OR TO LOSE THEIR ATTACHMENT TO A 'PURE', ESSENTIALLY HUMANITARIAN GLOBAL STANCE.

6. EUROPEAN INTEGRATION OFFERS THE OBVIOUS SOLUTION TO THOSE ALIVE TO NORWAY'S DILEMMA. BUT THERE IS NO POLITICAL CONSENSUS AS TO WHAT EXTENT AND IN WHAT FRAMEWORK THAT INTEGRATION SHOULD TAKE PLACE. MOREOVER, NO LEADING LABOUR OR CONSERVATIVE FIGURE HAS YET VOICED A CLEAR VISION OF NORWAY'S IDEAL PLACE IN THE EUROPEAN GEOMETRY. TO SUMMARISE THE CURRENT POSITION:

A. EC MEMBERSHIP IS OFF THE POLITICAL AGENDA UNTIL 1992 IF THE PRIME MINISTER HAS HER WAY, BECAUSE OF DEEP DIVISIONS IN HER OWN PARTY AND THE COUNTRY AT LARGE.

B. IN AN EFFORT TO CONTAIN THE EC DEBATE, THE EEA IS BEING

OFFICIALLY PRESENTED AS A VIABLE ALTERNATIVE TO FULL MEMBERSHIP, ALTHOUGH THIS APPROACH FINDS FAVOUR WITH NEITHER THE PRO- NOR THE ANTI-EC PARLIAMENTARY PARTIES.

C. NATO MEMBERSHIP IS, IF ANYTHING, MORE IMPORTANT TO NORWAY NOW. IT IS ITS MAIN FORUM FOR INFLUENCING THE EUROPEAN AND ATLANTIC SECURITY DEBATE. NORWEGIAN SPOKESMEN ARE BECOMING CLEARER IN THEIR APPEALS TO NATO NOT TO OVERLOOK ITS NORTHERN FLANK IN THE CHANGING CIRCUMSTANCES, IN THEIR EMPHASIS ON A CONTINUING SOVIET THREAT IN THE NORTH AND IN THEIR ATTACHMENT TO CONTINUING US/EUROPEAN STRATEGIC LINKAGE.

D. THE POSSIBILITY OF SOME FORM OF ASSOCIATION WITH THE WEU IS UNEXPECTEDLY EDGING BACK ONTO THE POLITICAL AGENDA. THE PREVIOUS (RIGHT-OF-CENTRE) GOVERNMENT HAD SHOWN SOME INTEREST IN WEU MEMBERSHIP, BUT LABOUR HAD UNTIL THE LAST TWO MONTHS BEEN CLEARLY OPPOSED TO IT. THE RE-OPENING OF THE ISSUE REFLECTS THE BRUNDTLAND'S GOVERNMENT'S GROWING AWARENESS OF THE SERIOUSNESS OF THE DEBATE NOW LAUNCHED WITHIN THE TWELVE ON EUROPEAN DEFENCE ORGANISATION, AND THEIR REALISATION OF THE DANGERS TO THEM OF ELEVATING THE EC'S ROLE OVER THE WEU'S (OR NATO'S).

7. THE CURRENT POLITICAL CLIMATE IN NORWAY GIVES EXCELLENT OPPORTUNITIES TO FEED IN OUR OWN IDEAS. BUT SINCE THE GOVERNMENT IS UNLIKELY TO MAKE ANY FUNDAMENTAL FOREIGN POLICY DECISIONS IN THE IMMEDIATE FUTURE, WE WILL NEED TO BE PATIENT IN LOOKING OUT FOR THE FRUITS OF OUR EFFORTS.

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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

21 December 1990

Thank you for your letter of 19 December to Charles Powell about a possible call on the Prime Minister by the Norwegian Prime Minister when Mrs. Brundtland is in London in February.

The Prime Minister could see Mrs. Brundtland on Wednesday 13 February at 1730 for a 30 minute meeting. This timing has been proposed to the Counsellor for Press and Cultural Affairs at the Norwegian Embassy, Paul Moe, who telephoned Andrew Turnbull today.

SANDRA PHILLIPS

Christopher Prentice, Esq.,  
Foreign and Commonwealth Office.



10 DOWNING STREET

~~Chamber~~

The Prime Minister  
could manage a  
call by Nonogram  
p.m. on Wednesday  
13 February at, say,  
1700. (30 mins? —  
or 1 hour?)

S<sup>21</sup>/12

~~Sands~~

A more urgent  
Notice - High Commission  
Apr 17.00 to 20.00  
on 13 Feb -



Foreign and Commonwealth Office

London SW1A 2AH

19 December 1990

*Dear Charles,*

Visit of Norwegian Prime Minister <sup>top</sup>

Thank you for your letter of 17 December about Mrs Brundtland's visit to the UK next February and her request for a meeting with the Prime Minister.

We understand from the Norwegian Embassy that Mrs Brundtland will arrive on the afternoon or evening of Wednesday 13 February. She has no engagements on that day. She travels up to Cambridge University on the afternoon of Thursday 14 for the annual Tanner lectures that evening and is participating in a seminar there on the morning of Friday 15 February. She is free on Friday afternoon and Saturday morning.

Without putting a specific proposal to the Norwegians, it is difficult to extract more precise information. But, apart from a Friday or Saturday meeting in the Prime Minister's constituency, a meeting in the late afternoon of Wednesday 13 February might be a good possibility.

If the Prime Minister does see Mrs Brundtland, discussion might cover the future of European security and Defence, EC/EFTA relations, and possible Norwegian membership of the EC. Mrs Brundtland favours Norway joining but her party is currently divided.

*Yours ever,  
Christopher Prentice*

(C N R Prentice)  
Private Secretary

C D Powell Esq  
10 Downing Street



1910

Norway: Visits of PM Part 2.



Ali  
Bff  
SPW  
pa  
bcpc

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

17 December 1990

*Dear Christopher,*

VISIT OF NORWEGIAN PRIME MINISTER

We have heard from the Norwegian Embassy that Mrs. Brundtland will be in the United Kingdom in mid-February and has asked for a meeting with the Prime Minister. Her preferred time is the morning of Thursday 14 February, but this is very difficult for us since it is a Cabinet day. We understand she is travelling to Cambridge on the afternoon of Thursday 14 February to give a lecture and will stay on there during Friday, leaving on the Saturday morning. I suppose it would be possible to arrange for the Prime Minister to meet her in his constituency where he will be on the Friday and Saturday. But before taking any action, I should be grateful to know more about Mrs. Brundtland's plans.

*Yours sincerely,  
C. D. Powell*

(C. D. POWELL)

Christopher Prentice, Esq.,  
Foreign and Commonwealth Office.

*cu*

MR POWELL

VISIT BY MRS. GRO HARLEM BRUNDTLAND

Mr. Moe, Counsellor at the Norwegian Embassy delivered the attached request from Mrs. Brundtland for a meeting with the Prime Minister. As you will see, her preferred time is on the morning of Thursday 14 February. I explained to Mr. Moe that this is a difficult morning. He told me that her programme is to arrive in London on the evening of Wednesday 13 February, though possibly too late for a meeting; she will be in London until about 3pm on Thursday before travelling to Cambridge to give her lectures; will be staying in Cambridge on Friday afternoon; and leaving sometime on Saturday morning.

The Prime Minister will be in his constituency on Friday 15 February. If the Thursday morning proves impossible, one possibility might be tea at wherever she might be staying in Cambridge on the Friday afternoon, or breakfast on the Saturday morning.

Can you take this forward?

AT

ANDREW TURNBULL

14 December 1990

c:\wpdocs\pps\moe (jt)



*Paul Moe*

*Counsellor for Press and Cultural Affairs  
Royal Norwegian Embassy*

*25 Belgrave Square,  
London, SW1*

*Tel: 01-235 7151*

ROYAL NORWEGIAN EMBASSY

25 BELGRAVE SQUARE

LONDON SW1X 8QD

TEL. 01-235 7151

P.M.

The Norwegian Prime Minister will visit London, 14-15 February 1991 in connection with her Tanner lectures at Clare Hall, Cambridge on Thursday 14 February (5 and 6.30 p.m.) and a seminar the following day, in the morning,

Mrs Gro Harlem Brundtland has asked the Embassy to put forward a request for a meeting with Prime Minister John Major in connection with her visit to London, preferably on Thursday 14 February, in the morning.

London, 14 December 1990

Meeting Record  
Subject re MASTER.

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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

23 March 1990

Dear Richard,

PRIME MINISTER MEETING WITH THE PRIME MINISTER OF NORWAY

The Prime Minister had a talk this morning with the Norwegian Prime Minister. Mr Syse was accompanied by his State Secretary, Mr Kai Eide.

The Prime Minister recalled how pleased she had been when Mr Syse had become Prime Minister. Before then, Norway was becoming much too socialist. Mr Syse said he had the problem of governing with a coalition. But he was making considerable changes, in particular privatisation.

Environmental Issues

Mr Syse said that he would like to refer to a number of environmental issues, since the press would inevitably ask him whether he had raised them. He recalled that he had referred in his speech at the Royal Society to Norway's hope that the United Kingdom would think again about the plan to construct a European Demonstration Fast Reactor Reprocessing Plant at Dounreay. The Prime Minister, who was not best pleased with Mr Syse's remarks on this last night, said that no firm decision had yet been taken: nor was one likely for some six years or so. Norwegian concerns were anyway completely misplaced. We would not build it if we thought there would be any risks. And the Public Local Inquiry had already found that the EDRP would not have any adverse impact on the environment or health. Mr Syse said that he personally understood these points. But it would be very helpful if Norway could in some way be consulted about the plans so that it could be demonstrated that Norwegian concerns were being taken seriously. The Prime Minister did not respond to this point.

Mr Syse continued that people in Norway were very grateful for the Prime Minister's personal engagement in environmental issues. He was sorry that she would not be able to attend the Bergen Conference, but quite understood the reasons. The Prime Minister said that she equally regretted it, particularly since

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Mr Syse had taken the trouble to come to London for the final dinner of the Surface Waters Acidification Programme. However our excellent Environment Secretary would attend. She knew that some difficult issues would be considered at the meeting, in particular the idea of undertaking specific commitments on levels of CO<sub>2</sub> emissions. This would be very difficult until we got the science more exact. We were waiting for the IPCC report: but from what Sir John Mason had told her the previous evening, it did not sound as though this would necessarily be very helpful. Mr Syse asked whether the Prime Minister would consider sending the Trade and Industry Secretary to the Bergen meeting as well as Mr Patten. The Prime Minister said that she would enquire about the state of his diary.

Mr Syse said he hoped that the Prime Minister would give serious consideration to the proposals in his speech for a code of conduct for the environment. He would write to the Prime Minister about this in greater detail. Mr Syse continued that Norway would also like to see the EC's European Environment Agency opened to non-EC countries. If it was possible to make some statement about this at the Bergen meeting, that would be greatly welcomed in Norway.

Mr Syse said that he had some good news to impart. Very recent research had shown that there were after all some 68,000 minke whales in the North Atlantic and Arctic. Norway was very keen to have British support for its research programme into the minke whale, which involved taking only a handful of them. The Prime Minister said that this issue raised great concern in the United Kingdom and we were not intending to support the Norwegian programme.

#### Defence

Mr Syse said that his government was arguing strongly against cuts in defence spending. They believed there was still a Soviet military threat, and rather hoped that events in Lithuania would open people's eyes to this. The Prime Minister said that there might be changes in defence spending, but there were unlikely to be cuts. The Soviet Union retained massive military capabilities. The key was to preserve NATO, together with American forces and their nuclear weapons. Mr Syse suggested that it might be useful to strengthen NATO'S political functions.

#### Baltic Republics

The Prime Minister said that the problem of Lithuania had come at a very difficult time for Mr Gorbachev, with difficulties crowding in on him from all sides. We took the view that the Lithuanian people had made their choice and the matter should now be resolved by discussions and constitutional means. Mr Syse said that the Baltic Republics were looking to the Nordic countries for support, which could cause some difficulties. There was some suggestion that they might be brought into the Nordic Council, which did not deal with foreign policy matters. But he agreed that the most important consideration was to avoid weakening Mr Gorbachev's position.

German Unification

Mr Syse said that people in Norway were fearful about developments in Germany, and would be even more unhappy if the SPD were to win the elections in December. But even Chancellor Kohl seemed to be talking of the need for a new European security system. The Prime Minister said that the victory of the conservative alliance in the East German elections had been very welcome. There would now have to be a whole series of talks about the external consequences of unification. The most difficult problem would probably be the military arrangements for the GDR. In our view it would be reasonable for the Russians to keep forces there for a transitional period. Mr Syse suggested that the arrangements made in the Finnmark area of Northern Norway might eventually be a model for East Germany. There was agreement between Norway and the Soviet Union which involved maintaining only a very limited number of troops in the area. He found it hard to see how you could both have the GDR in NATO and keep Soviet troops there. The Prime Minister said that the same could have been said of the Berlin arrangements. Intellectually they were impossible but in practice they worked.

Spitzbergen

The Prime Minister asked about the situation over Spitzbergen. Mr Syse said that it was very stable and the Russians appeared to accept Norwegian jurisdiction without any problems. He wanted to inform the Prime Minister in strict confidence that talks were currently in progress with the Russians over delimitation of the Continental Shelf in the seas north of Norway. A certain amount of progress was being made, but it was a very sensitive area for the Russians.

EC/EFTA

Mr Syse said that his party continued to support Norwegian membership of the European Community, but his coalition partners did not share this view. The Labour Party were split, but he thought a majority would eventually be found for membership, although it might take another two or three years. His fear was that this would be too late for Norway to benefit. The Prime Minister said that we understood the difficulties, and anyway the EC could not contemplate any further enlargement at least until after 1992. Meanwhile we would press ahead with the EC/EFTA agreement. Mr Syse said that the Norwegians detected some loss of momentum over this following the Strasbourg European Council, mostly because the EC was preoccupied with German unification.

EMS

Mr Syse said that Norway was interested in some closer association with the EMS. He enquired about the British position. The Prime Minister explained that we were in the EMS but not yet in the ERM, although we were committed to join when the conditions she had set out at the Madrid European Council were satisfied.



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I am copying this letter to John Gieve (HM Treasury), Simon Webb (Ministry of Defence), Roger Bright (Department of the Environment), Martin Stanley (Department of Trade and Industry), John Neilson (Department of Energy) and Sonia Phippard (Cabinet Office).

*Yours sincerely,  
Charles Powell*

Charles Powell

Richard Gozney Esq  
Foreign and Commonwealth Office

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PRIME MINISTER

MEETING WITH THE NORWEGIAN PRIME MINISTER

You are to have a talk with the Norwegian Prime Minister on Friday morning. You will of course have seen him at the Royal Society Dinner.

His coalition government is not in terribly good shape, with the various parties divided on key issues, including Europe. Mr. Syse's (Sue-se) Conservative Party is losing ground to the more right-wing Progress Party. Unemployment is high. Meanwhile, the Labour Party is becoming increasingly favourable to membership of the EC - which embarrasses Syse, since he supports membership but cannot speak up publicly for it without putting his coalition at risk.

The points which Mr. Syse wants to cover are German unification, Eastern Europe and the Soviet Union, EC/EFTA and environmental issues. The first three are straightforward: the Norwegians share most other people's concern about the economic and political clout of a united Germany. They are particularly anxious to preserve NATO. They worry that it may wither, leaving the European Community as the only significant institution (but with them outside it). They are keen on EC/EFTA links and extension of the Single Market to EFTA, but only as second best to a renewed Norwegian application to the EC.

The environment is more difficult. They are holding a major environmental conference at Bergen in May and want to obtain commitments to targets on carbon dioxide emissions, energy taxation, CFCs and technology transfer funds. (Incidentally, you were unable to accept his invitation to be the main speaker at this conference.) They are also concerned about the outline planning permission granted for a European Demonstration Fast Reactor Reprocessing Plant at Dounreay. But no firm decision on this is likely for six years: and anyway the public enquiry found that there would be no adverse environmental effects.

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- 2 -

A fuller note by the FCO is in the folder, with a telegram from our Ambassador, personality notes and the record of your last talk.

C.D.P.

C. D. POWELL

21 March 1990

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Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

20 March 1990

*Dear Charles,*

*record attached*

Call on the Prime Minister by the Prime Minister of Norway,  
Mr Jan P Syse, 23 March 1990, 1200

The Prime Minister last met Mr Syse (pronounced Sue-Se) in February 1989. He will be accompanied by his State Secretary, Kai Eide. Biographical notes are enclosed.

Mr Syse is visiting London to attend a Royal Society dinner on the evening of 22 March. The Prime Minister will also attend the dinner and make a speech. Mr Syse will want to discuss the German Question, Eastern Europe, the Soviet Union, EC/EFTA and environmental issues especially the Bergen Conference next May. He may touch on Party matters.

Our objective is to share views on international and Alliance issues. In particular we want to get across our environmental message.

The Norwegian Conservative or Høyre Party

The Høyre (Norwegian for 'Right') Party previously held office from 1981 to 1986. The Party lost ground in last September's elections, but Mr Syse was able to form a coalition Government with the Centre and Christian People's Parties. The coalition is shaky but holding so far.

Bilateral

Relations with Norway are close. Our major mutual interests are economic cooperation (particularly over North Sea oil), membership of NATO, industrial development and trade. We export £1 bn of goods and receive £3.6 bn's worth from Norway. We are Norway's largest export market. Bilateral problems are generally confined to environmental matters.

/The German Question

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### The German Question

The Norwegians have been briefed on the first round of the two plus four talks, in NATO and by us bilaterally. They are privately worried about a united Germany's political and economic clout. They look to us, and to the US and France, to counterbalance this.

The Prime Minister might take the line that:

- we want to keep Germany firmly bound into Western institutions, especially NATO and the EC;
- it is welcome that the Germans want the external aspects to be settled before unification takes place. The 2+4 mechanism will bring this about;
- the German wish that Poland's borders should be guaranteed by Treaty is important for international confidence;
- We shall continue to work hard to ensure that unification does not destabilise existing structures. We shall be consulting in NATO (and the EC) at each stage. We support full consultation in NATO;
- we are always ready for bilateral discussions with Norway.

### The Soviet Union

The recent Congress of People's Deputies marked a decisive shift in power away from the Party and an attempt to establish a proper legal base for political power in the USSR. Gorbachev's election as Executive President involved less sweeping powers than some had feared. The Party, already in decline, is likely to split at its June/July Congress (when Gorbachev may give up his post as Secretary General). By the summer, the USSR will almost certainly have a de facto multi-party system.

Despite an important new law allowing shares and private property, real economic reform is making little headway and difficult decisions (above all price reform) continue to be ducked. Gorbachev is likely to face increasingly open popular discontent with perestroika's failure to deliver in material terms. His recent speeches suggest he may soon be willing to go for a more radical shift to a market system.

/On the

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On the nationalities problem, Moscow will insist on a gradual process and proper negotiations. The Lithuanians are likely to go along with this, so long as real independence is the outcome. Other republics seem certain to follow suit, in slower time.

There is little political substance to Soviet-Norwegian relations. Two recent accidents involving Soviet nuclear submarines off the Norwegian coast caused some tension (the Norwegians feel that adequate safety measures had not been taken and that they had not been properly informed). Mr Syse may report on the unresolved delimitation dispute with the Soviet Union in the Barents Sea.

The Norwegians' view of Soviet developments is close to our own.

EC/Norway

Norway is playing a leading role within EFTA in promoting this year's EC/EFTA discussions on the extension of the Single Market to include the EFTA countries. Formal negotiations should start before the end of June. However, Mr Syse's Conservative Party do not believe that even the best conceivable EC/EFTA agreement will fully meet Norway's requirements. Attention is increasingly focussing on a possible re-application for EC membership (favoured by the Conservatives but not their coalition partners). In the meantime the Conservatives are pursuing the EC/EFTA process as the best alternative option.

In the longer term our economic and political interests lie in having Norway in the Community. She is readily assimilable; would be a substantial net contributor to the budget, and as a NATO ally would play a constructive part in Political Cooperation. (But the stimulus a Norwegian application could give to other EFTA applications would be less clearly beneficial).

The Norwegians should have no doubts about our attitude. The Prime Minister explained HMG's position to Mr Syse when he was in London last year. The Prime Minister might on this occasion wish to:

- stress the importance we attach to achieving a successful conclusion to the EC/EFTA negotiations as rapidly as possible; underline that extension of the Single Market, as far as possible, to EFTA will produce economic benefits for all;

/- welcome

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- welcome the Norwegians' close association with European Political Cooperation (although participation in EPC must be limited to Community members).

On a possible re-application for EC membership, the Prime Minister might say that we are following the debate in Norway with interest, but that the decision on whether to reapply is for the Norwegians. She might further confirm that in principle there should be no difficulty with an application from Norway, but stress that until at least 1993 the Community's attention is focussed on completion of the Single Market.

Environment

Mr Syse is likely to raise the Bergen Conference (UN Economic Commission for Europe Meeting on the Brundtland Report 8-16 May 1990). Norwegian and West German insistence that specific commitment must be made at Bergen on CO<sub>2</sub>, energy taxation, CFCs and technology transfer funds, creates difficulties for us. But we remain strongly committed to the Bergen Conference. The Prime Minister might express regret that she was not able to accept Mr Syse's invitation to give a keynote speech at Bergen.

Mr Syse may mention the recent North Sea Conference, which was a difficult meeting. The final declaration will lead to a significant improvement on the controls on discharges, though agreement was not possible on the disposal of radio-active waste into the seabed. Criticism in the Norwegian press of the UK line was not strident.

The Norwegians are also concerned that the Scottish Secretary has granted outline planning permission for the construction of a European Demonstration Fast Reactor Reprocessing Plant (EDRP) at Dounreay. No firm decision to construct EDRP is likely for some six years and the Public Local Inquiry found that EDRP would be unlikely to have an adverse impact on the economy, environment or health of the region or the surrounding areas.

Should Mr Syse mention acid rain, the Prime Minister might confirm, as she will have made clear in her speech to the Royal Society, that the UK will meet its commitments under the EC Large Combustion Plants Directive to reduce SO<sub>2</sub> emissions by installing flue gas desulphurisation equipment, bringing into operation new gas-fired plants, or by other means.

/The Norwegians

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The Norwegians have said that they will take a maximum of five minke whales this year for 'scientific research'. We welcome this reduction but the Parliamentary Under Secretary at MAFF (Mr Curry) has told the Norwegian Fisheries Minister that the figure should be zero. The Norwegians have compromised on sealing: the ban on the culling of seal pups and other seals younger than one year old, introduced last year, is being maintained this year; and the sealing season has been shortened. There was a peaceful demonstration in London on 17 March against Norwegian sealing policy: a petition was handed to the Norwegian Embassy.

I am copying this letter to Roger Bright (Department of the Environment) and Andy Lebrecht (MAFF).

Yours ever,

Richard Gozney

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street

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SYSE, JAN PEDER

Prime Minister (Conservative) since October 1989.

Born 1930.

Graduated in law from University of Oslo 1957. Under-Secretary, Ministry of Shipping 1967-69. State Secretary, Ministry of Justice 1970-71. Served on Oslo City Council of the Storting Justice Committee 1978-80. Chairman of the Storting Finance Committee 1981-83. Minister of Industry 1983-85. Parliamentary leader of the Conservative Party in the Storting 1985-87. An MP for Oslo since 1973. Chairman of the Conservative Party since January 1988.

A respected and capable member of the Conservative hierarchy, he became chairman when the incumbent (Prethus) died suddenly. But he has been an uninspiring leader, with a colourless image. The Conservative Party did badly in 1989 election but after protracted negotiations with the two central parties, in which the Conservatives made many compromises particularly on the EC, Syse was able to form a minority coalition government. Since then he has played a difficult hand reasonably skilfully, despite inevitable criticism that he has failed to unite the coalition partners and that his Government has lacked initiative and direction.

Mr Syse is personally courteous and charming. Married. He met Mrs Thatcher in London in February 1989.

EIDE, KAI

State Secretary, Prime Minister's Office, since October 1989.

Born 1949.

Entered Norwegian Diplomatic Service 1975. CSCE delegation, Belgrade 1977-78. Second Secretary Prague 1979. CSCE delegation Madrid 1980-81. MFA 1982-84. Norwegian delegation NATO 1984-89.

Eide is one of a small number of State Secretaries in the Syse Government plucked from the Norwegian Diplomatic Service. He is a close associate of Syse. He has visited several Eastern European countries in recent months, as part of Norway's changing approach to them. He is a strong advocate of Norwegian membership of the EC. A self-confident, capable and outspoken man. He is also friendly. Married.

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## NORWAY: PRIME MINISTERS' MEETING ON 23 MARCH

## SUMMARY

1. FOLLOWING IS A SNAPSHOT OF NORWEGIAN SCENE ON THE EVE OF THE PRIME MINISTER'S MEETING WITH MR SYSE. AN INDECISIVE GOVERNMENT IN DIFFICULTIES, BUT NOT IN CRISIS. DISAGREEMENT WITHIN THE COALITION, ESPECIALLY ON EC AND EC/EFTA. UNEMPLOYMENT HIGH (AND GOVERNMENT THEREFORE UNPOPULAR) BUT INFLATION LOW, AND BALANCE OF PAYMENTS HEALTHY. NORWAY'S MAIN CURRENT CONCERN IS HER POSITION IN THE NEW EUROPE AND THE MAINTENANCE OF NATO (AND IN PARTICULAR THE US COMMITMENT) AS THE FOUNDATION OF HER SECURITY.

## DETAIL

2. THE CONSERVATIVE-LED COALITION GOVERNMENT ARE IN AN UNCOMFORTABLE POSITION. THEY ARE SEEN AS LACKING IN INITIATIVE, DIRECTION AND INDEED UNITY. MINISTERS HAVE MADE SOME TACTICAL ERRORS IN RECENT MONTHS OVER SENSITIVE INTERNAL ISSUES SUCH AS FISHING AND AGRICULTURAL SUBSIDIES: AND MOST RECENTLY, SYSE HIMSELF WRONGLY ANTICIPATED THAT THE LABOUR PARTY LEADER, MRS BRUNDTLAND WOULD SUPPORT HIM OVER PRE-POSITIONING OF EQUIPMENT FOR THE US STRIKE FLEET. CORRUPTION SCANDALS ON THE PART OF OSLO CITY COUNCIL (WHICH THE CONSERVATIVES HAVE DOMINATED FOR MANY YEARS) HAVE ALSO HURT THE PARTY'S NATIONAL STANDING.

3. ALL THIS HAS BEEN REFLECTED IN A STEADY LOSS OF SUPPORT IN OPINION POLLS, WHERE THE CONSERVATIVES ARE NOW DOWN TO 18%, SCARCELY AHEAD OF THE PROGRESS PARTY ON THEIR RIGHT, AT 16%. THE PROGRESS PARTY'S OWN POSITION CONTINUES TO IMPROVE, PARTLY BECAUSE THEY GAIN FROM DISSATISFACTION WITH THE GOVERNMENT AND PARTLY BECAUSE THEY ARE SEEN AS BECOMING STEADILY MORE RESPONSIBLE IN THEIR LYNCH-PIN ROLE IN PARLIAMENT (WHERE THE GOVERNMENT RELY ON THEIR VOTES TO PASS LEGISLATION). MEANWHILE LABOUR, THE LARGEST PARTY, ARE RE-BUILDING THEIR POSTURE FOLLOWING A POOR PERFORMANCE IN THE SEPTEMBER 1989 ELECTION, AND ARE IN NO POSITION TO MAKE A FRONTAL ATTACK.

## THE ECONOMY

4. THE MAIN CONCERN REMAINS UNEMPLOYMENT (7.7% INCLUDING THOSE ON JOB LABOUR SCHEMES, WHICH IS VERY HIGH FOR NORWAY) BUT THERE ARE HOPES THAT THIS HAS PEAKED. EMPLOYERS AND UNIONS AGREED ON 19 MARCH ON THE FIRST STAGE OF THE ANNUAL WAGES ROUND: A COMPROMISE WHICH WOULD INCREASE PAY BY 4.1% BUT PRESSURE FOR HIGHER SETTLEMENTS AT THE LOCAL LEVEL MAY LEAD TO FURTHER WAGE DRIFT. THIS WOULD INCREASE CONCERN OVER NORWAY'S COMPETITIVENESS: COSTS ARE SOME 20% OVER THOSE OF MAIN TRADING PARTNERS. ON THE OTHER HAND, OIL REVENUES ARE BUOYANT, AS ARE THOSE FROM THE TRADITIONAL LAND-BASED INDUSTRIES, AND SHIPPING IS MAKING A COME-BACK. THE BALANCE OF PAYMENTS IS COMFORTABLY IN SURPLUS AND INFLATION (UNDER 5%) IS UNDER CONTROL. THE CONSERVATIVES WOULD LIKE TO REDUCE SUBSIDES TO AGRICULTURE AND THE REGIONS BUT THEIR COALITION PARTNERS, THE (AGRARIAN) CENTRE PARTY WILL NOT ALLOW THIS.

## EUROPE AND NATO

5. THE COALITION CANNOT PROPERLY SQUARE THE EUROPEAN CIRCLE. THE CONSERVATIVES SEE THE EC/EFTA PROCESS AS DISTINCTLY SECOND BEST TO EC MEMBERSHIP, BUT THE CENTRE PARTY'S POSITION IN GOVERNMENT PRECLUDES AN APPLICATION. THAT PARTY WANTS THE EC/EFTA PROCESS TO SUCCEED, AS THE ONLY WAY TO STAVE OFF MEMBERSHIP, BUT ITS OWN AGRICULTURAL LOBBY IS ALREADY ACCUSING THE GOVERNMENT OF MAKING TOO MANY CONCESSIONS. MEANWHILE THE LABOUR PARTY LEADERSHIP ARE MOVING STEADILY AND INCREASINGLY OPENLY IN FAVOUR OF MEMBERSHIP, AS ARE THE PROGRESS PARTY, THUS MAKING THE CONSERVATIVES' POSITION EVEN MORE UNCOMFORTABLE. THEY CANNOT BE SEEN TO PRETEND TO BE LESS ENTHUSIASTIC THAN LABOUR ON THE EC, BUT A MORE POSITIVE APPROACH WOULD ALIENATE THEIR PARTNERS AND JEOPARDISE THE FUTURE OF THE GOVERNMENT ITSELF.

6. ALL THIS IS SET AGAINST THE UNEASY BACKGROUND OF VOLATILITY THROUGHOUT EUROPE. AS REPORTED IN MY TELNO 54, THE NORWEGIANS ARE INCREASINGLY WORRIED THAT THEY ARE MISSING THE EUROPEAN BUS AND THAT AT THE SAME TIME THE ROLE OF NATO, WHICH HAS BEEN NORWAY'S VITAL FOREIGN POLICY PLATFORM FOR 40 YEARS, IS BEING INCHED TO THE SIDE. SYSE STRESSED THIS POINT WHEN I CALLED ON HIM YESTERDAY, ADDING THAT DESPITE ASSURANCES FROM DELORS AND OTHERS, HE FEARED THAT DEVELOPMENTS IN EASTERN EUROPE WOULD INEVITABLY DISTRACT EC ATTENTION SOMEWHAT FROM THE NEGOTIATIONS WITH EFTA, WHICH WERE OF GREAT IMPORTANCE FOR NORWAY. (I RECALLED YOUR ASSURANCE TO BONDEVIK IN OXFORD IN JANUARY THAT HMG STRONGLY SUPPORTED THIS INITIATIVE). SYSE HAS ALSO JUST GIVEN A FURTHER PUBLIC WARNING AGAINST PREEMPTIVE CUTS IN DEFENCE SPENDING.

## CONCLUSION

7. I THINK THAT THE PRIME MINISTER WILL FIND THAT SYSE, WHILE ACUTELY AWARE OF HIS OWN GOVERNMENT'S DIFFICULTIES, IS NEVETHELESS RESOLVED TO CONTRIBUTE IN NORWAY'S INTEREST TO THE RE-SHAPING OF EUROPE. IN THIS, HIS MAIN GOALS WILL BE (A) TO MAINTAIN NATO (AND IN PARTICULAR THE AMERICAN CONNECTION) AS THE VITAL FOUNDATION OF SECURITY, (B) TO ENSURE THAT THE UNIFICATION OF GERMANY DOES NOT THREATEN EUROPEAN POLITICAL AND ECONOMIC STABILITY, AND (C) TO SHOE-HORN NORWAY INTO THE BEST POSITION IN THE EES WHICH DOMESTIC POLITICS WILL ALLOW.

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10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

9 February 1989

Dear David,

PRIME MINISTER'S MEETING WITH THE LEADER OF THE  
NORWEGIAN CONSERVATIVE PARTY

The Prime Minister had a talk this afternoon with the Leader of the Norwegian Conservative Party. Mr Syse was accompanied by the Party's Secretary General, Mr Gronnern. Mr Tom Arnold, M.P., was also present.

Political Outlook in Norway

The Prime Minister enquired about politics in Norway. Mr Syse said that they were looking better from his Party's point of view. The Christian People's Party had last week split with the Agrarian Party and said that it could support a coalition with the Conservatives. This would considerably improve their prospects in the elections in September. The main aims of the Conservative Party were to restore economic growth based on enterprise, to tackle inflation, to cut taxes and to privatise state-owned industries. Mr Syse added that he was able to make plenty of use of the Prime Minister's speeches.

European Community

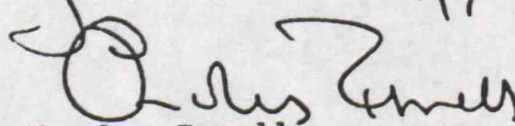
Mr Syse said that there was growing support in Norway for membership of the European Community and his Party was in favour of it. The Prime Minister's speech in Bruges had been very influential in changing Norwegian opinion. The Norwegian Labour Party was split on the issue and was making use of M. Delors recent speech, in which he had talked of institutionalisation of EFTA, as an excuse for avoiding any public discussion of EC membership. The Conservative Party had received a statement of support in principle for Norwegian membership from Chancellor Kohl. Mr Syse hoped that the Prime Minister would be ready to say that she regarded Norway as in a special position among EFTA members, by virtue of her membership of NATO, and that she saw no reason why an application for EC membership could not be considered even before 1992.

The Prime Minister said that her political interest was in opposing socialism in the European Community. She would not want to see more socialist governments which would tilt the balance against the centre-right. The Norwegian Conservatives should concentrate first on winning their election. Once they had done that, she could not see any obstacle in principle to an application from Norway. But it would not be realistic to expect rapid progress with it while the Community's attention was focused on completion of the single market by 1992. Mr Syse said that the problem with this was that it seemed to sustain the Norwegian Labour Party's thesis that an application was pointless, because anyway the Community would refuse to deal with it during the lifetime of the next Norwegian Parliament from 1989 to 1993. He wondered whether the Prime Minister could not say something slightly more forthcoming which would help his Party in the elections. After some discussion, the Prime Minister agreed with Mr Syse to say that she had expressed interest in the possibility of an application by Norway for membership of the European Community and saw no reason why such an application should not be dealt with in the normal way.

Environmental issues

Mr Syse said that environmental issues would inevitably play a large part in the Norwegian election. Mrs. Brundtland had a very high profile on these issues. His Party were planning to hold a conference on environmental issues in Stavanger on 20 or 27 June and would be very grateful if a British Minister who dealt with environmental issues could attend. The Prime Minister undertook to see what could be done. Mr Syse continued that his Party also wanted to see increased co-operation between Conservative Parties in countries bordering the North Sea on environmental issues. The Prime Minister said that she would arrange for someone to act as a contact point and pass information.

It is for Conservative Central Office to follow up these two requests with Department of the Environment Ministers. I am copying this letter to John Whittingdale here and will leave it to him to pass on as appropriate to Central Office.

*Yours sincerely,*  
  
Charles Powell

Richard Gozney Esq  
Foreign and Commonwealth Office.



PRIME MINISTER

POLITICAL POSTSCRIPT TO YOUR MEETING WITH THE  
NORWEGIAN PRIME MINISTER TODAY

"Our Common Future" by the World Commission on Environment and Development which you were given a copy today had main feature leads in the Telegraph and Guardian. It is being marked by three prime time programmes on BBC TV tonight, tomorrow and Wednesday and the CBI are likely to debate it at their Annual Conference. The Green Lobby are furious they were not included in the briefings. There are claims that it is all a UN Committee jockeying for internal UN power!

Its message that squandering world resources when the population has passed 5 billion and is shooting towards a possible 10 billion in the next twenty or so years has already been given you in briefing. If you have insufficient time to read the book we attach a nutshell and the Telegraph piece.

Having met Mrs. Brundtland today and recently having spent a weekend with a group of world experts and industrialists arguing about this issue I feel sure that this is an issue which is likely to take up a lot of public time and attention.

HARTLEY BOOTH

27 April 1987

TODAY in London, Mrs Gro Harlem Brundtland, Prime Minister of Norway, launches a report whose modest aim is to signal a renaissance in political attitudes more radical than anything since Copernicus showed that the Earth was not the centre of the universe. "Our Common Future" is an agreement between an international band of politicians, from Reaganites to state collectivists, that squandering the world's natural resources, is both ecological and economic madness.

It has been signed by a hawkish ex-head of the FBI and former member of President Reagan's Cabinet and a financially-astute former foreign minister of Japan, as well as three commissars from the Communist Bloc, the Secretary General of the Commonwealth and a bunch of worthies from Europe and the Third World. It is bound to raise an eyebrow or two.

Do not be disappointed when you rush out and buy a copy. It is an extraordinarily long and tedious document, full of not-entirely-new environmental observations about the depletion of the rain forests, the erosion of soils due to misguided agriculture in the developing countries, and the pollution of the atmosphere and the seas by the industrialised nations. The significance of "Our Common Future" lies mainly in its title, as a recognition by a group of very disparate politicians that something must be done, and soon.

The report by the World Commission on Environment and Development—or the Brundtland report, as it has come to be known—is likely to enjoy a welcome among tough-minded governments, such as our own, in a way that its spiritual predecessor, the Brandt Report (1980), did not. The reason is its essential pragmatism.

Brundt produced an austere and gloomy document, which prescribed sackcloth and ashes for the rich nations of the north and begging bowls for the poor nations of the south. Brundtland focuses not on financial but on environmental resources which have been the root structure of human wealth since before money existed. Brundtland tells us that ecologically we are part of the same global village, that the

# Green capitalism not begging-bowls

Environmental damage is now a worldwide economic problem, says a report published today. CHARLES CLOVER considers the solutions it offers

sewers are leaking, the air is polluted, the soil is blowing into the sea because most of the trees have been cut down, and asks us if this is really the way to run an economy.

But where Brandt was ultimately pessimistic, Brundtland offers a cautious message of hope, the slogan "sustainable development"; that is development which aims to renew as well as exploit the world's rapidly exhausting garden of natural resources. Overturning the bleak, misanthropic opposition to growth preached by environmental Cassandras for the past 20 years, Brundtland preaches growth, and high rates of it, if the world economy and man himself is to survive. The foremost reason is the spiralling world population, which was 2.5 billion in 1950, and is about to race past five billion. According to United Nations predictions it is due to level off at between eight and 14 billion some time next century.

We desperately need wealth to feed all these people. The most important message from the report is that environmental damage causes poverty. The famine Live Aid pointed to in the Sahel, the silting up of the Panama Canal due to soil erosion, the collapse of agriculture planted amid the burnt stalks of the rainforests—all these are human as well as environmental disasters. Sir Shridath "Sonny" Ramphal, secretary-general of the Commonwealth,

has spoken of his newly-acquired conviction that environmental concern is a necessity, not a luxury.

This conviction is stronger in the rich world than in the poor, it must be said. By now Western Governments, including our own, are genuinely concerned by evidence that industrial pollution is having little-understood effects. The "greenhouse effect" — the warming of the Earth's atmosphere due to the burning of fossil fuels — is being taken seriously. The apparent thinning of the ozone layer, which shields out radiation from space, is causing equal concern. What worries Western Governments more is that pollution from the Third World has, as yet, hardly begun.

How you erect the international machinery to deal with all this is where the report, though boringly respectable, is weak. For fear of insulting some of its authors it forbears to say that its message needs most urgently to be heard by the policy makers of Third World countries, who may be uncaring, corrupt, or just lack the political apparatus to institute change. (Environment ministries in Third World countries are usually powerless appendages.) But Brundtland does say that the biggest disasters are caused not by colonialism, or badly-applied aid, but by unregarded, ill-advised poor people over-straining the land in their effort to make a living.

Something, rather a lot in fact, can be done through changing the nature of foreign aid. Here the report is pushing at an open door. In America environmentalists teamed up with hard-right opponents of aid to criticise the \$12 billion-a-year handouts of the World Bank for funding projects over many years, like Brazilian dams and huge agricultural schemes in Senegal that actually harm the productivity of the land. Britain's own modest aid programme has gone "green" under Chris Patten, Minister for Overseas Development. More significantly, at the World Bank a British-born economist, Jerry Warford, with the blessing of the bank's president, has been trying to work out a scheme of natural-resource accounting to accompany the bank's dry, cost-benefit analyses. Paying people to destroy what they have for nothing has at last been accepted as a Bad Thing.

Green capitalism (more cost-effective, energy-effective and resource-effective growth) has a long way to go, and it means spending money on research, but it is undoubtedly the direction in which the voters of the West want us to be going. Politicians, in the West at least, are beginning to listen at home. Brundtland leaves them with one particularly excellent proposal — a crusadingly democratic one — for the Third World: that we in the West should spend money on creating pressure groups, non-governmental organisations as they are known, so poor people can play a larger part in helping themselves. The West exported its political infrastructure to the developing countries; what it needs to export now are a few turbulent voices like Friends of the Earth.

"Our Common Future" by the World Commission on Environment and Development, Oxford £5.95

# OUR COMMON FUTURE

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FROM ONE EARTH TO ONE WORLD

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AN OVERVIEW

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BY THE WORLD COMMISSION ON  
ENVIRONMENT AND DEVELOPMENT

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FROM ONE EARTH TO ONE WORLD

OUR COMMON FUTURE A

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## FROM ONE EARTH TO ONE WORLD

### *An Overview by the World Commission on Environment and Development*

In the middle of the 20th century, we saw our planet from space for the first time. Historians may eventually find that this vision had a greater impact on thought than did the Copernican revolution of the 16th century, which upset the human self-image by revealing that the Earth is not the centre of the universe. From space, we see a small and fragile ball dominated not by human activity and edifice but by a pattern of clouds, oceans, greenery, and soils. Humanity's inability to fit its doings into that pattern is changing planetary systems, fundamentally. Many such changes are accompanied by life-threatening hazards. This new reality, from which there is no escape, must be recognized—and managed.

Fortunately, this new reality coincides with more positive developments new to this century. We can move information and goods faster around the globe than ever before; we can produce more food and more goods with less investment of resources; our technology and science gives us at least the potential to look deeper into and better understand natural systems. From space, we can see and study the Earth as an organism whose health depends on the health of all its parts. We have the power to reconcile human affairs with natural laws and to thrive in the process. In this our cultural and spiritual heritages can reinforce our economic interests and survival imperatives.

This Commission believes that people can build a future that is more prosperous, more just, and more secure. Our report, *Our Common Future*, is not a prediction of ever increasing environmental decay, poverty, and hardship in an ever more polluted world among ever decreasing resources. We see instead the possibility for a new era of economic growth, one that must be based on policies that sustain and expand the environmental resource base. And we believe such growth to be absolutely essential to relieve the great poverty that is deepening in much of the developing world.

But the Commission's hope for the future is conditional on decisive political action now to begin managing environmental resources to ensure both sustainable human progress and human survival. We are

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not forecasting a future; we are serving a notice—an urgent notice based on the latest and best scientific evidence—that the time has come to take the decisions needed to secure the resources to sustain this and coming generations. We do not offer a detailed blueprint for action, but instead a pathway by which the peoples of the world may enlarge their spheres of co-operation.

## I. THE GLOBAL CHALLENGE

### Successes and Failures

Those looking for success and signs of hope can find many: Infant mortality is falling; human life expectancy is increasing; the proportion of the world's adults who can read and write is climbing; the proportion of children starting school is rising; and global food production increases faster than the population grows.

But the same processes that have produced these gains have given rise to trends that the planet and its people cannot long bear. These have traditionally been divided into failures of 'development' and failures in the management of our human environment. On the development side, in terms of absolute numbers there are more hungry people in the world than ever before, and their numbers are increasing. So are the numbers who cannot read or write, the numbers without safe water or safe and sound homes, and the numbers short of woodfuel with which to cook and warm themselves. The gap between rich and poor nations is widening—not shrinking—and there is little prospect, given present trends and institutional arrangements, that this process will be reversed.

There are also environmental trends that threaten to radically alter the planet, that threaten the lives of many species upon it, including the human species. Each year another 6 million hectares of productive dryland turns into worthless desert. Over three decades, this would amount to an area roughly as large as Saudi Arabia. More than 11 million hectares of forests are destroyed yearly, and this, over three decades, would equal an area about the size of India. Much of this forest is converted to low-grade farmland unable to support the farmers who settle it. In Europe, acid precipitation kills forests and lakes and damages the artistic and architectural heritage of nations; it may have acidified vast tracts of soil beyond reasonable hope of repair. The burning of fossil fuels puts into the atmosphere carbon dioxide, which is causing gradual global warming. This 'greenhouse effect' may by early next century have increased average global

The World Commission on Environment and Development first met in October 1984, and published its report 900 days later, in April 1987. Over those few days:

- The drought-triggered, environment-development crisis in Africa peaked, putting 35 million people at risk, killing perhaps a million.
- A leak from a pesticides factory in Bhopal, India, killed more than 2,000 people and blinded and injured over 200,000 more.
- Liquid gas tanks exploded in Mexico City, killing 1,000 and leaving thousands more homeless.
- The Chernobyl nuclear reactor explosion sent nuclear fallout across Europe, increasing the risks of future human cancers.
- Agricultural chemicals, solvents, and mercury flowed into the Rhine River during a warehouse fire in Switzerland, killing millions of fish and threatening drinking water in the Federal Republic of Germany and the Netherlands.
- An estimated 60 million people died of diarrhoeal diseases related to unsafe drinking water and malnutrition; most of the victims were children.

temperatures enough to shift agricultural production areas, raise sea levels to flood coastal cities, and disrupt national economies. Other industrial gases threaten to deplete the planet's protective ozone shield to such an extent that the number of human and animal cancers would rise sharply and the oceans' food chain would be disrupted. Industry and agriculture put toxic substances into the human food chain and into underground water tables beyond reach of cleansing.

There has been a growing realization in national governments and multilateral institutions that it is impossible to separate economic development issues from environment issues; many forms of development erode the environmental resources upon which they must be based, and environmental degradation can undermine economic development. Poverty is a major cause and effect of global environmental problems. It is therefore futile to attempt to deal with environmental problems without a broader perspective that encompasses the factors underlying world poverty and international inequality.

These concerns were behind the establishment in 1983 of the World Commission on Environment and Development by the UN General Assembly. The Commission is an independent body, linked to but outside the control of governments and the UN system. The Commission's mandate gave it three objectives: to re-examine the critical environment and development issues and to formulate realistic proposals for dealing with them; to propose new forms of international co-operation on these issues that will influence policies and events in

the direction of needed changes; and to raise the levels of understanding and commitment to action of individuals, voluntary organizations, businesses, institutes, and governments.

Through our deliberations and the testimony of people at the public hearings we held on five continents, all the commissioners came to focus on one central theme: many present development trends leave increasing numbers of people poor and vulnerable, while at the same time degrading the environment. How can such development serve next century's world of twice as many people relying on the same environment? This realization broadened our view of development. We came to see it not in its restricted context of economic growth in developing countries. We came to see that a new development path was required, one that sustained human progress not just in a few places for a few years, but for the entire planet into the distant future. Thus 'sustainable development' becomes a goal not just for the 'developing' nations, but for industrial ones as well.

### The Interlocking Crises

Until recently, the planet was a large world in which human activities and their effects were neatly compartmentalized within nations, within sectors (energy, agriculture, trade), and within broad areas of concern (environmental, economic, social). These compartments have begun to dissolve. This applies in particular to the various global 'crises' that have seized public concern, particularly over the past decade. These are not separate crises: an environmental crisis, a development crisis, an energy crisis. They are all one.

The planet is passing through a period of dramatic growth and fundamental change. Our human world of 5 billion must make room in a finite environment for another human world. The population could stabilize at between 8 billion and 14 billion sometime next century, according to UN projections. More than 90 per cent of the increase will occur in the poorest countries, and 90 per cent of that growth in already bursting cities.

Economic activity has multiplied to create a \$13 trillion world economy, and this could grow five- or tenfold in the coming half-century. Industrial production has grown more than fiftyfold over the past century, four-fifths of this growth since 1950. Such figures reflect and presage profound impacts upon the biosphere, as the world invests in houses, transport, farms, and industries. Much of the economic growth pulls raw material from forests, soils, seas, and waterways.

A mainspring of economic growth is new technology, and while this technology offers the potential for slowing the dangerously rapid consumption of finite resources, it also entails high risks, including new forms of pollution and the introduction to the planet of new variations of life forms that could change evolutionary pathways. Meanwhile, the industries most heavily reliant on environmental resources and most heavily polluting are growing most rapidly in the developing world, where there is both more urgency for growth and less capacity to minimize damaging side effects.

These related changes have locked the global economy and global ecology together in new ways. We have in the past been concerned about the impacts of economic growth upon the environment. We are now forced to concern ourselves with the impacts of ecological stress—degradation of soils, water regimes, atmosphere, and forests—upon our economic prospects. We have in the more recent past been forced to face up to a sharp increase in economic interdependence among nations. We are now forced to accustom ourselves to an accelerating ecological interdependence among nations. Ecology and economy are becoming ever more interwoven—locally, regionally, nationally, and globally—into a seamless net of causes and effects.

Impoverishing the local resource base can impoverish wider areas: Deforestation by highland farmers causes flooding on lowland farms; factory pollution robs local fishermen of their catch. Such grim local cycles now operate nationally and regionally. Dryland degradation sends environmental refugees in their millions across national borders. Deforestation in Latin America and Asia is causing more floods, and more destructive floods, in downhill, downstream nations. Acid precipitation and nuclear fallout have spread across the borders of Europe. Similar phenomena are emerging on a global scale, such as global warming and loss of ozone. Internationally traded hazardous chemicals entering foods are themselves internationally traded. In the next century, the environmental pressure causing population movements may increase sharply, while barriers to that movement may be even firmer than they are now.

Over the past few decades, life-threatening environmental concerns have surfaced in the developing world. Countrysides are coming under pressure from increasing numbers of farmers and the landless. Cities are filling with people, cars, and factories. Yet at the same time these developing countries must operate in a world in which the resources gap between most developing and industrial nations is widening, in which the industrial world dominates in the rule-making of some key international bodies, and in which the industrial world

has already used much of the planet's ecological capital. This inequality is the planet's main 'environmental' problem; it is also its main 'development' problem.

International economic relationships pose a particular problem for environmental management in many developing countries. Agriculture, forestry, energy production, and mining generate at least half the gross national product of many developing countries and account for even larger shares of livelihoods and employment. Exports of natural resources remain a large factor in their economies, especially for the least developed. Most of these countries face enormous economic pressures, both international and domestic, to overexploit their environmental resource base.

The recent crisis in Africa best and most tragically illustrates the ways in which economics and ecology can interact destructively and trip into disaster. Triggered by drought, its real causes lie deeper. They are to be found in part in national policies that gave too little attention, too late, to the needs of smallholder agriculture and to the threats posed by rapidly rising populations. Their roots extend also to a global economic system that takes more out of a poor continent than it puts in. Debts that they cannot pay force African nations relying on commodity sales to overuse their fragile soils, thus turning good land to desert. Trade barriers in the wealthy nations—and in many developing ones—make it hard for Africans to sell their goods for reasonable returns, putting yet more pressure on ecological systems. Aid from donor nations has not only been inadequate in scale, but too often has reflected the priorities of the nations giving the aid, rather than the needs of the recipients. The production base of other developing world areas suffers similarly both from local failures and from the workings of international economic systems. As a consequence of the 'debt crisis' of Latin America, that region's natural resources are now being used not for development but to meet financial obligations to creditors abroad. This approach to the debt problem is short-sighted from several standpoints: economic, political, and environmental. It requires relatively poor countries simultaneously to accept growing poverty while exporting growing amounts of scarce resources.

A majority of developing countries now have lower per capita incomes than when the decade began. Rising poverty and unemployment have increased pressure on environmental resources as more people have been forced to rely more directly upon them. Many governments have cut back efforts to protect the environment and to bring ecological considerations into development planning.

The deepening and widening environmental crisis presents a threat

The Commission has sought ways in which global development can be put on a sustainable path into the 21st century. Some 5,000 days will elapse between the publication of our report and the first day of the 21st century. What environmental crises lie in store over those 5,000 days?

During the 1970s, twice as many people suffered each year from 'natural' disasters as during the 1960s. The disasters most directly associated with environment/development mismanagement—droughts and floods—affected the most people and increased most sharply in terms of numbers affected. Some 18.5 million people were affected by drought annually in the 1960s, 24.4 million in the 1970s. There were 5.2 million flood victims yearly in the 1960s, 15.4 million in the 1970s. Numbers of victims of cyclones and earthquakes also shot up as growing numbers of poor people built unsafe houses on dangerous ground.

The results are not in for the 1980s. But we have seen 35 million afflicted by drought in Africa alone and tens of millions affected by the better managed and thus less-publicized Indian drought. Floods have poured off the deforested Andes and Himalayas with increasing force. The 1980s seem destined to sweep this dire trend on into a crisis-filled 1990s.

to national security—and even survival—that may be greater than well-armed, ill-disposed neighbours and unfriendly alliances. Already in parts of Latin America, Asia, the Middle East, and Africa, environmental decline is becoming a source of political unrest and international tension. The recent destruction of much of Africa's dryland agricultural production was more severe than if an invading army had pursued a scorched-earth policy. Yet most of the affected governments still spend far more to protect their people from invading armies than from the invading desert.

Globally, military expenditures total about \$1 trillion a year and continue to grow. In many countries, military spending consumes such a high proportion of gross national product that it itself does great damage to these societies' development efforts. Governments tend to base their approaches to 'security' on traditional definitions. This is most obvious in the attempts to achieve security through the development of potentially planet-destroying nuclear weapons systems. Studies suggest that the cold and dark nuclear winter following even a limited nuclear war could destroy plant and animal ecosystems and leave any human survivors occupying a devastated planet very different from the one they inherited.

The arms race—in all parts of the world—pre-empts resources that might be used more productively to diminish the security threats created by environmental conflict and the resentments that are fuelled by widespread poverty.

Many present efforts to guard and maintain human progress, to



meet human needs, and to realize human ambitions are simply unsustainable—in both the rich and poor nations. They draw too heavily, too quickly, on already overdrawn environmental resource accounts to be affordable far into the future without bankrupting those accounts. They may show profits on the balance sheets of our generation, but our children will inherit the losses. We borrow environmental capital from future generations with no intention or prospect of repaying. They may damn us for our spendthrift ways, but they can never collect on our debt to them. We act as we do because we can get away with it: future generations do not vote; they have no political or financial power; they cannot challenge our decisions.

But the results of the present profligacy are rapidly closing the options for future generations. Most of today's decision makers will be dead before the planet feels the heavier effects of acid precipitation, global warming, ozone depletion, or widespread desertification and species loss. Most of the young voters of today will still be alive. In the Commission's hearings it was the young, those who have the most to lose, who were the harshest critics of the planet's present management.

### **Sustainable Development**

Humanity has the ability to make development sustainable—to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs. The concept of sustainable development does imply limits—not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities. But technology and social organization can be both managed and improved to make way for a new era of economic growth. The Commission believes that widespread poverty is no longer inevitable. Poverty is not only an evil in itself, but sustainable development requires meeting the basic needs of all and extending to all the opportunity to fulfil their aspirations for a better life. A world in which poverty is endemic will always be prone to ecological and other catastrophes.

Meeting essential needs requires not only a new era of economic growth for nations in which the majority are poor, but an assurance that those poor get their fair share of the resources required to sustain that growth. Such equity would be aided by political systems that secure effective citizen participation in decision making and by greater democracy in international decision making.

Sustainable global development requires that those who are more affluent adopt life-styles within the planet's ecological means—in their use of energy, for example. Further, rapidly growing populations can increase the pressure on resources and slow any rise in living standards; thus sustainable development can only be pursued if population size and growth are in harmony with the changing productive potential of the ecosystem.

Yet in the end, sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs. We do not pretend that the process is easy or straightforward. Painful choices have to be made. Thus, in the final analysis, sustainable development must rest on political will.

### **The Institutional Gaps**

The objective of sustainable development and the integrated nature of the global environment/development challenges pose problems for institutions, national and international, that were established on the basis of narrow preoccupations and compartmentalized concerns. Governments' general response to the speed and scale of global changes has been a reluctance to recognize sufficiently the need to change themselves. The challenges are both interdependent and integrated, requiring comprehensive approaches and popular participation.

Yet most of the institutions facing those challenges tend to be independent, fragmented, working to relatively narrow mandates with closed decision processes. Those responsible for managing natural resources and protecting the environment are institutionally separated from those responsible for managing the economy. The real world of interlocked economic and ecological systems will not change; the policies and institutions concerned must.

There is a growing need for effective international co-operation to manage ecological and economic interdependence. Yet at the same time, confidence in international organizations is diminishing and support for them dwindling.

The other great institutional flaw in coping with environment/development challenges is governments' failure to make the bodies whose policy actions degrade the environment responsible for ensuring that their policies prevent that degradation. Environmental concern arose from damage caused by the rapid economic growth following

the Second World War. Governments, pressured by their citizens, saw a need to clean up the mess, and they established environmental ministries and agencies to do this. Many had great success—within the limits of their mandates—in improving air and water quality and enhancing other resources. But much of their work has of necessity been after-the-fact repair of damage: reforestation, reclaiming desert lands, rebuilding urban environments, restoring natural habitats, and rehabilitating wild lands.

The existence of such agencies gave many governments and their citizens the false impression that these bodies were by themselves able to protect and enhance the environmental resource base. Yet many industrialized and most developing countries carry huge economic burdens from inherited problems such as air and water pollution, depletion of ground-water, and the proliferation of toxic chemicals and hazardous wastes. These have been joined by more recent problems—erosion, desertification, acidification, new chemicals, and new forms of waste—that are directly related to agricultural, industrial, energy, forestry, and transportation policies and practices.

The mandates of the central economic and sectoral ministries are also often too narrow, too concerned with quantities of production or growth. The mandates of ministries of industry include production targets, while the accompanying pollution is left to ministries of environment. Electricity boards produce power, while the acid pollution they also produce is left to other bodies to clean up. The present challenge is to give the central economic and sectoral ministries the responsibility for the quality of those parts of the human environment affected by their decisions, and to give the environmental agencies more power to cope with the effects of unsustainable development.

The same need for change holds for international agencies concerned with development lending, trade regulation, agricultural development, and so on. These have been slow to take the environmental effects of their work into account, although some are trying to do so.

The ability to anticipate and prevent environmental damage requires that the ecological dimensions of policy be considered at the same time as the economic, trade, energy, agricultural, and other dimensions. They should be considered on the same agendas and in the same national and international institutions.

This reorientation is one of the chief institutional challenges of the 1990s and beyond. Meeting it will require major institutional development and reform. Many countries that are too poor or small or that have limited managerial capacity will find it difficult to do

this unaided. They will need financial and technical assistance and training. But the changes required involve all countries, large and small, rich and poor.

## II. THE POLICY DIRECTIONS

The Commission has focused its attention in the areas of population, food security, the loss of species and genetic resources, energy, industry, and human settlements—realizing that all of these are connected and cannot be treated in isolation one from another. This section contains only a few of the Commission's many recommendations.

### Population and Human Resources

In many parts of the world, the population is growing at rates that cannot be sustained by available environmental resources, at rates that are outstripping any reasonable expectations of improvements in housing, health care, food security, or energy supplies.

The issue is not just numbers of people, but how those numbers relate to available resources. Thus the 'population problem' must be dealt with in part by efforts to eliminate mass poverty, in order to assure more equitable access to resources, and by education to improve human potential to manage those resources.

Urgent steps are needed to limit extreme rates of population growth. Choices made now will influence the level at which the population stabilizes next century within a range of 6 billion people. But this is not just a demographic issue; providing people with facilities and education that allow them to choose the size of their families is a way of assuring—especially for women—the basic human right of self-determination.

Governments that need to do so should develop long-term, multifaceted population policies and a campaign to pursue broad demographic goals: to strengthen social, cultural, and economic motivations for family planning, and to provide to all who want them the education, contraceptives, and services required.

Human resource development is a crucial requirement not only to build up technical knowledge and capabilities, but also to create new values to help individuals and nations cope with rapidly changing social, environmental, and development realities. Knowledge shared globally would assure greater mutual understanding and create greater willingness to share global resources equitably.

Tribal and indigenous peoples will need special attention as the forces of economic development disrupt their traditional life-styles—life-styles that can offer modern societies many lessons in the management of resources in complex forest, mountain, and dryland ecosystems. Some are threatened with virtual extinction by insensitive development over which they have no control. Their traditional rights should be recognized and they should be given a decisive voice in formulating policies about resource development in their areas.

### **Food Security: Sustaining the Potential**

Growth in world cereal production has steadily outstripped world population growth. Yet each year there are more people in the world who do not get enough food. Global agriculture has the potential to grow enough food for all, but food is often not available where it is needed.

Production in industrialized countries has usually been highly subsidized and protected from international competition. These subsidies have encouraged the overuse of soil and chemicals, the pollution of both water resources and foods with these chemicals, and the degradation of the countryside. Much of this effort has produced surpluses and their associated financial burdens. And some of this surplus has been sent at concessional rates to the developing world, where it has undermined the farming policies of recipient nations. There is, however, growing awareness in some countries of the environmental and economic consequences of such paths, and the emphasis of agricultural policies is to encourage conservation.

Many developing countries, on the other hand, have suffered the opposite problem: farmers are not sufficiently supported. In some, improved technology allied to price incentives and government services has produced a major breakthrough in food production. But elsewhere, the food-growing small farmers have been neglected. Coping with often inadequate technology and few economic incentives, many are pushed onto marginal land: too dry, too steep, lacking in nutrients. Forests are cleared and productive drylands rendered barren.

Most developing nations need more effective incentive systems to encourage production, especially of food crops. In short, the 'terms of trade' need to be turned in favour of the small farmer. Most industrialized nations, on the other hand, must alter present systems in order to cut surpluses, to reduce unfair competition with nations that may have real comparative advantages, and to promote ecologically sound farming practices.

Food security requires attention to questions of distribution, since hunger often arises from lack of purchasing power rather than lack of available food. It can be furthered by land reforms, and by policies to protect vulnerable subsistence farmers, pastoralists, and the landless—groups who by the year 2000 will include 220 million households. Their greater prosperity will depend on integrated rural development that increases work opportunities both inside and outside agriculture.

### **Species and Ecosystems: Resources for Development**

The planet's species are under stress. There is a growing scientific consensus that species are disappearing at rates never before witnessed on the planet, although there is also controversy over those rates and the risks they entail. Yet there is still time to halt this process.

The diversity of species is necessary for the normal functioning of ecosystems and the biosphere as a whole. The genetic material in wild species contributes billions of dollars yearly to the world economy in the form of improved crop species, new drugs and medicines, and raw materials for industry. But utility aside, there are also moral, ethical, cultural, aesthetic, and purely scientific reasons for conserving wild beings.

A first priority is to establish the problem of disappearing species and threatened ecosystems on political agendas as a major economic and resource issue.

Governments can stem the destruction of tropical forests and other reservoirs of biological diversity while developing them economically. Reforming forest revenue systems and concession terms could raise billions of dollars of additional revenues, promote more efficient, long-term forest resource use, and curtail deforestation.

The network of protected areas that the world will need in the future must include much larger areas brought under some degree of protection. Therefore, the cost of conservation will rise—directly and in terms of opportunities for development foregone. But over the long term the opportunities for development will be enhanced. International development agencies should therefore give comprehensive and systematic attention to the problems and opportunities of species conservation.

Governments should investigate the prospect of agreeing to a 'Species Convention', similar in spirit and scope to other international conventions reflecting principles of 'universal resources'. They should also consider international financial arrangements to support the implementation of such a convention.

### Energy: Choices for Environment and Development

A safe and sustainable energy pathway is crucial to sustainable development; we have not yet found it. Rates of increase in energy use have been declining. However, the industrialization, agricultural development, and rapidly growing populations of developing nations will need much more energy. Today, the average person in an industrial market economy uses more than 80 times as much energy as someone in sub-Saharan Africa. Thus any realistic global energy scenario must provide for substantially increased primary energy use by developing countries.

To bring developing countries' energy use up to industrialized country levels by the year 2025 would require increasing present global energy use by a factor of five. The planetary ecosystem could not stand this, especially if the increases were based on non-renewable fossil fuels. Threats of global warming and acidification of the environment most probably rule out even a doubling of energy use based on present mixes of primary sources.

Any new era of economic growth must therefore be less energy-intensive than growth in the past. Energy efficiency policies must be the cutting edge of national energy strategies for sustainable development, and there is much scope for improvement in this direction. Modern appliances can be redesigned to deliver the same amounts of energy-services with only two-thirds or even one-half of the primary energy inputs needed to run traditional equipment. And energy efficiency solutions are often cost-effective.

After almost four decades of immense technological effort, nuclear energy has become widely used. During this period, however, the nature of its costs, risks, and benefits have become more evident and the subject of sharp controversy. Different countries world-wide take up different positions on the use of nuclear energy. The discussion in the Commission also reflected these different views and positions. Yet all agreed that the generation of nuclear power is only justifiable if there are solid solutions to the unsolved problems to which it gives rise. The highest priority should be accorded to research and development on environmentally sound and ecologically viable alternatives, as well as on means of increasing the safety of nuclear energy.

Energy efficiency can only buy time for the world to develop 'low-energy paths' based on renewable sources, which should form the foundation of the global energy structure during the 21st century. Most of these sources are currently problematic, but given innovative development, they could supply the same amount of primary energy

the planet now consumes. However, achieving these use levels will require a programme of coordinated research, development, and demonstration projects commanding funding necessary to ensure the rapid development of renewable energy. Developing countries will require assistance to change their energy use patterns in this direction.

Millions of people in the developing world are short of fuelwood, the main domestic energy of half of humanity, and their numbers are growing. The wood-poor nations must organize their agricultural sectors to produce large amounts of wood and other plant fuels.

The substantial changes required in the present global energy mix will not be achieved by market pressures alone, given the dominant role of governments as producers of energy and their importance as consumers. If the recent momentum behind annual gains in energy efficiency is to be maintained and extended, governments need to make it an explicit goal of their policies for energy pricing to consumers. Prices needed to encourage the adoption of energy-saving measures may be achieved through several means. Although the Commission expresses no preference, 'conservation pricing' requires that governments take a long-term view in weighing the costs and benefits of the various measures. Given the importance of oil prices on international energy policy, new mechanisms for encouraging dialogue between consumers and producers should be explored.

A safe, environmentally sound, and economically viable energy pathway that will sustain human progress into the distant future is clearly imperative. It is also possible. But it will require new dimensions of political will and institutional co-operation to achieve it.

### Industry: Producing More with Less

The world manufactures seven times more goods today than it did as recently as 1950. Given population growth rates, a five- to tenfold increase in manufacturing output will be needed just to raise developing-world consumption of manufactured goods to industrialized world levels by the time population growth rates level off next century.

Experience in the industrialized nations has proved that anti-pollution technology has been cost-effective in terms of health, property, and environmental damage avoided, and that it has made many industries more profitable by making them more resource-efficient. While economic growth has continued, the consumption of raw materials has held steady or even declined, and new technologies offer further efficiencies.

Nations have to bear the costs of any inappropriate indus-

trialization, and many developing countries are realizing that they have neither the resources nor—given rapid technological change—the time to damage their environments now and clean up later. But they also need assistance and information from industrialized nations to make the best use of technology. Transnational corporations have a special responsibility to smooth the path of industrialization in the nations in which they operate.

Emerging technologies offer the promise of higher productivity, increased efficiency, and decreased pollution, but many bring risks of new toxic chemicals and wastes and of major accidents of a type and scale beyond present coping mechanisms. There is an urgent need for tighter controls over the export of hazardous industrial and agricultural chemicals. Present controls over the dumping of hazardous wastes should be tightened.

Many essential human needs can be met only through goods and services provided by industry, and the shift to sustainable development must be powered by a continuing flow of wealth from industry.

### **The Urban Challenge**

By the turn of the century, almost half of humanity will live in cities; the world of the 21st century will be a largely urban world. Over only 65 years, the developing world's urban population has increased tenfold, from around 100 million in 1920 to 1 billion today. In 1940, one person in 100 lived in a city of 1 million or more inhabitants; by 1980, one in 10 lived in such a city. Between 1985 and the year 2000, Third World cities could grow by another three-quarters of a billion people. This suggests that the developing world must, over the next few years, increase by 65 per cent its capacity to produce and manage its urban infrastructure, services, and shelter merely to maintain today's often extremely inadequate conditions.

Few city governments in the developing world have the power, resources, and trained personnel to provide their rapidly growing populations with the land, services, and facilities needed for an adequate human life: clean water, sanitation, schools, and transport. The result is mushrooming illegal settlements with primitive facilities, increased overcrowding, and rampant disease linked to an unhealthy environment. Many cities in industrial countries also face problems—deteriorating infrastructure, environmental degradation, inner-city decay, and neighbourhood collapse. But with the means and resources to tackle this decline, the issue for most industrial countries is ultimately one of political and social choice. Developing countries are

not in the same situation. They have a major urban crisis on their hands.

Governments will need to develop explicit settlements strategies to guide the process of urbanization, taking the pressure off the largest urban centres and building up smaller towns and cities, more closely integrating them with their rural hinterlands. This will mean examining and changing other policies—taxation, food pricing, transportation, health, industrialization—that work against the goals of settlements strategies.

Good city management requires decentralization—of funds, political power, and personnel—to local authorities, which are best placed to appreciate and manage local needs. But the sustainable development of cities will depend on closer work with the majorities of urban poor who are the true city builders, tapping the skills, energies, and resources of neighbourhood groups and those in the 'informal sector'. Much can be achieved by 'site and service' schemes that provide households with basic services and help them to get on with building sounder houses around these.

## **III. INTERNATIONAL CO-OPERATION AND INSTITUTIONAL REFORM**

### **The Role of the International Economy**

Two conditions must be satisfied before international economic exchanges can become beneficial for all involved. The sustainability of ecosystems on which the global economy depends must be guaranteed. And the economic partners must be satisfied that the basis of exchange is equitable. For many developing countries, neither condition is met.

Growth in many developing countries is being stifled by depressed commodity prices, protectionism, intolerable debt burdens, and declining flows of development finance. If living standards are to grow so as to alleviate poverty, these trends must be reversed.

A particular responsibility falls to the World Bank and the International Development Association as the main conduit for multilateral finance to developing countries. In the context of consistently increased financial flows, the World Bank can support environmentally sound projects and policies. In financing structural adjustment, the International Monetary Fund should support wider and longer term development objectives than at present: growth, social goals, and environmental impacts.

The present level of debt service of many countries, especially in

Africa and Latin America, is not consistent with sustainable development. Debtors are being required to use trade surpluses to service debts, and are drawing heavily on non-renewable resources to do so. Urgent action is necessary to alleviate debt burdens in ways that represent a fairer sharing between both debtors and lenders of the responsibilities and burdens.

Current arrangements for commodities could be significantly improved: More compensatory financing to offset economic shocks would encourage producers to take a long-term view, and not to overproduce commodities; and more assistance could be given from diversification programmes. Commodity-specific arrangements can build on the model of the International Tropical Timber Agreement, one of the few that specifically includes ecological concerns.

Multinational companies can play an important role in sustainable development, especially as developing countries come to rely more on foreign equity capital. But if these companies are to have a positive influence on development, the negotiating capacity of developing countries vis à vis transnationals must be strengthened so they can secure terms that respect their environmental concerns.

However, these specific measures must be located in a wider context of effective co-operation to produce an international economic system geared to growth and the elimination of world poverty.

### Managing the Commons

Traditional forms of national sovereignty raise particular problems in managing the 'global commons' and their shared ecosystems—the oceans, outer space, and Antarctica. Some progress has been made in all three areas; much remains to be done.

The UN Conference on the Law of the Sea was the most ambitious attempt ever to provide an internationally agreed regime for the management of the oceans. All nations should ratify the Law of the Sea Treaty as soon as possible. Fisheries agreements should be strengthened to prevent current overexploitation, as should conventions to control and regulate the dumping of hazardous wastes at sea.

There are growing concerns about the management of orbital space, centring on using satellite technology for monitoring planetary systems, on making the most effective use of the limited capacities of geosynchronous orbit for communications satellites, and on limiting space debris. The orbiting and testing of weapons in space would greatly increase this debris. The international community should seek

to design and implement a space regime to ensure that space remains a peaceful environment for the benefit of all.

Antarctica is managed under the 1959 Antarctic Treaty. However, many nations outside of that pact view the Treaty System as too limited, both in participation and in the scope of its conservation measures. The Commission's recommendations deal with the safeguarding of present achievements, the incorporation of any minerals development into a management regime, and various options for the future.

### Peace, Security, Development, and the Environment

Among the dangers facing the environment, the possibility of nuclear war is undoubtedly the gravest. Certain aspects of the issues of peace and security bear directly upon the concept of sustainable development. The whole notion of security as traditionally understood—in terms of political and military threats to national sovereignty—must be expanded to include the growing impacts of environmental stress—locally, nationally, regionally, and globally. There are no military solutions to 'environmental insecurity'.

Governments and international agencies should assess the cost-effectiveness, in terms of achieving security, of money spent on armaments compared with money spent on reducing poverty or restoring a ravaged environment.

But the greatest need is to achieve improved relations among those major powers capable of deploying weapons of mass destruction. This is needed to achieve agreement on tighter control over the proliferation and testing of various types of weapons of mass destruction—nuclear and non-nuclear—including those that have environmental implications.

### Institutional and Legal Change

The Commission's full report, *Our Common Future*, contains throughout (and especially in Chapter 12), many specific recommendations for institutional and legal change. These cannot be adequately summarized here. However, the Commission's main proposals are embodied in six priority areas.

#### *Getting at the Sources*

Governments must begin now to make the key national, economic, and sectoral agencies directly responsible and accountable for ensuring that their policies, programmes, and budgets support development that is economically and ecologically sustainable.

By the same token, the various regional organizations need to do more to integrate environment fully in their goals and activities. New regional arrangements will especially be needed among developing countries to deal with transboundary environmental issues.

All major international bodies and agencies should ensure that their programmes encourage and support sustainable development, and they should greatly improve their coordination and co-operation. The Secretary-General of the United Nations Organization should provide a high-level centre of leadership for the UN system to assess, advise, assist, and report on progress made towards this goal.

#### *Dealing with the Effects*

Governments should also reinforce the roles and capacities of environmental protection and resource management agencies. This is needed in many industrialized countries, but most urgently in developing countries, which will need assistance in strengthening their institutions. The UN Environment Programme (UNEP) should be strengthened as the principal source on environmental data, assessment, and reporting and as the principal advocate and agent for change and international co-operation on critical environment and natural resource protection issues.

#### *Assessing Global Risks*

The capacity to identify, assess, and report on risks of irreversible damage to natural systems and threats to the survival, security, and well-being of the world community must be rapidly reinforced and extended. Governments, individually and collectively, have the principal responsibility to do this. UNEP's Earthwatch programme should be the centre of leadership in the UN system on risk assessment.

However, given the politically sensitive nature of many of the most critical risks, there is also a need for an independent but complementary capacity to assess and report on critical global risks. A new international programme for co-operation among largely non-governmental organizations, scientific bodies, and industry groups should therefore be established for this purpose.

#### *Making Informed Choices*

Making the difficult choices involved in achieving sustainable development will depend on the widespread support and involvement of an informed public and of non-governmental organizations, the scientific community, and industry. Their rights, roles, and participation in development planning, decision making, and project implementation should be expanded.

#### *Providing the Legal Means*

National and international law is being rapidly outdistanced by the accelerating pace and expanding scale of impacts on the ecological basis of development. Governments now need to fill major gaps in existing national and international law related to the environment, to find ways to recognize and protect the rights of present and future generations to an environment adequate for their health and well-being, to prepare under UN auspices a universal Declaration on environmental protection and sustainable development and a subsequent Convention, and to strengthen procedures for avoiding or resolving disputes on environment and resource management issues.

#### *Investing in Our Future*

Over the past decade, the overall cost-effectiveness of investments in halting pollution has been demonstrated. The escalating economic and ecological damage costs of not investing in environmental protection and improvement have also been repeatedly demonstrated—often in grim tolls of flood and famine. But there are large financial implications: for renewable energy development, pollution control, and achieving less resource-intensive forms of agriculture.

Multilateral financial institutions have a crucial role to play. The World Bank is presently reorienting its programmes towards greater environmental concerns. This should be accompanied by a fundamental commitment to sustainable development by the Bank. It is also essential that the regional Development Banks and the International Monetary Fund incorporate similar objectives in their policies and programmes. A new priority and focus is also needed in bilateral aid agencies.

Given the limitations on increasing present flows of international aid, proposals for securing additional revenue from the use of international commons and natural resources should now be seriously considered by governments.

### IV. A CALL FOR ACTION

Over the course of this century, the relationship between the human world and the planet that sustains it has undergone a profound change.

When the century began, neither human numbers nor technology had the power radically to alter planetary systems. As the century closes, not only do vastly increased human numbers and their activities have that power, but major, unintended changes are occurring

in the atmosphere, in soils, in waters, among plants and animals, and in the relationships among all of these. The rate of change is outstripping the ability of scientific disciplines and our current capabilities to assess and advise. It is frustrating the attempts of political and economic institutions, which evolved in a different, more fragmented world, to adapt and cope. It deeply worries many people who are seeking ways to place those concerns on the political agendas.

The onus lies with no one group of nations. Developing countries face the obvious life-threatening challenges of desertification, deforestation, and pollution, and endure most of the poverty associated with environmental degradation. The entire human family of nations would suffer from the disappearance of rain forests in the tropics, the loss of plant and animal species, and changes in rainfall patterns. Industrial nations face the life-threatening challenges of toxic chemicals, toxic wastes, and acidification. All nations may suffer from the releases by industrialized countries of carbon dioxide and of gases that react with the ozone layer, and from any future war fought with the nuclear arsenals controlled by those nations. All nations will have a role to play in changing trends, and in righting an international economic system that increases rather than decreases inequality, that increases rather than decreases numbers of poor and hungry.

The next few decades are crucial. The time has come to break out of past patterns. Attempts to maintain social and ecological stability through old approaches to development and environmental protection will increase instability. Security must be sought through change. The Commission has noted a number of actions that must be taken to reduce risks to survival and to put future development on paths that are sustainable. Yet we are aware that such a reorientation on a continuing basis is simply beyond the reach of present decision-making structures and institutional arrangements, both national and international.

This Commission has been careful to base our recommendations on the realities of present institutions, on what can and must be accomplished today. But to keep options open for future generations, the present generation must begin now, and begin together.

To achieve the needed changes, we believe that an active follow-up of this report is imperative. It is with this in mind that we call for the UN General Assembly, upon due consideration, to transform this report into a UN Programme on Sustainable Development. Special follow-up conferences could be initiated at the regional level. Within an appropriate period after the presentation of this report to the General Assembly, an international conference could be convened to

review progress made, and to promote follow-up arrangements that will be needed to set benchmarks and to maintain human progress.

First and foremost, this Commission has been concerned with people—of all countries and all walks of life. And it is to people that we address our report. The changes in human attitudes that we call for depend on a vast campaign of education, debate, and public participation. This campaign must start now if sustainable human progress is to be achieved.

The members of the World Commission on Environment and Development came from 21 very different nations. In our discussions, we disagreed often on details and priorities. But despite our widely differing backgrounds and varying national and international responsibilities, we were able to agree to the lines along which change must be drawn.

We are unanimous in our conviction that the security, well-being, and very survival of the planet depend on such changes, now.





SECRET



SUBJECT

CC MASTER

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

27 April 1987

Dear Lyn,

**PRIME MINISTER'S MEETING WITH THE NORWEGIAN PRIME MINISTER:  
ARMS CONTROL**

The Prime Minister and Mrs. Brundtland had some discussion, at their meeting this afternoon, of prospects for the arms control negotiations.

Arms Control

Mrs. Brundtland said that she would be meeting President Reagan later this week and the subject of Mr. Gorbachev's recent proposals on shorter-range nuclear weapons was bound to feature prominently. In her view these proposals were a reward for the firm line taken by the West and notably by the Prime Minister during her recent visit to Moscow. She thought that NATO had no alternative but to accept the zero option for intermediate range nuclear weapons, to be consistent with the original dual-track decision. The Norwegian government had not yet reached any firm view on the Soviet proposals on a further zero option for shorter-range weapons. They would want to see how the consultations in NATO developed.

The Prime Minister said that nuclear deterrence would remain vital for the defence of the West. She did not share President Reagan's belief in a world without nuclear weapons. Effective deterrence would include the continued presence of the United States' nuclear weapons in Europe. NATO must resist Soviet proposals which were intended to lead to the gradual denuclearisation of Europe. She agreed with Mrs. Brundtland that there could be no going back on the zero option for intermediate range weapons even though it would have been better, from the point of view of Europe's security, to have retained some Pershing and Cruise missiles. But the zero option should not be limited to Europe alone: it would be much better to get rid of the hundred Soviet warheads in Asia and the hundred American warheads in Alaska. This would considerably simplify the problem of verifying an agreement.

The Prime Minister continued that she was tending to the view that NATO should also accept a zero option in the range 500/1000 km, provided that this embraced the elimination of Soviet SS23 missiles, because NATO itself had virtually no

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missiles in this range and little prospect of developing them. But in that event it would be essential to draw a line and make clear that NATO would not negotiate further reductions in shorter-range and battle-field nuclear weapons at least until chemical weapons had been eliminated and parity achieved in conventional forces. Existing NATO shorter-range weapons should be modernised and we should try to persuade the United States to commit additional dual-capable aircraft and submarine-launched cruise missiles to SACEUR. The Prime Minister emphasised that this was only a preliminary view. She acknowledged that it would cause difficulties for the German government. Their concerns must be taken into account. She understood that there had been a discussion earlier in the day between Chancellor Kohl and Herr Genscher. No decisions had been reached, and it had agreed to await the tabling of a formal Soviet draft treaty before taking up a position.

Mrs. Brundtland said that she hoped that it would one day be possible to get rid of nuclear weapons. But this would only happen in a very different world from that which we had at present. She agreed that in the present situation NATO could not give up all its nuclear weapons in Europe without gravely damaging its security. In general she shared the Prime Minister's assessment of the way ahead in negotiations on shorter-range nuclear weapons.

I am copying this letter to John Howe (Ministry of Defence) and Trevor Woolley (Cabinet Office).

*Yours sincerely,  
Chris Powell*

(C. D. POWELL)

Lyn Parker, Esq.,  
Foreign and Commonwealth Office.

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file SRW  
cc PC

SUBJECT  
CC MASTER

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

27 April 1987

Dear Lynn,

**PRIME MINISTER'S MEETING WITH THE NORWEGIAN PRIME MINISTER**

The Prime Minister had a meeting this afternoon with the Norwegian Prime Minister. Mrs. Brundtland was accompanied by a Deputy Foreign Minister, the Norwegian Ambassador and her Private Secretary. This letter records the main issues which they discussed. I am writing separately about their talk on arms control.

The Prime Minister recalled with pleasure her visit to Norway last autumn and spoke of her sadness at the death recently of the former Norwegian Foreign Minister.

World Commission on Environment and Development

Mrs. Brundtland handed over a copy of the report of the United Nations World Commission on Environment and Development. The Prime Minister said that she understood that, thanks to Mrs. Brundtland's efforts, the report was generally pragmatic and useful. There had been good coverage of it in the British press.

Prime Minister's visit to Moscow

The Prime Minister and Mrs. Brundtland compared experiences of their respective visits to Moscow and meetings with Mr. Gorbachev. They agreed that it was in the West's interests that Mr. Gorbachev should succeed in his policy of restructuring and greater openness.

Off shore supply vessels

Mrs. Brundtland said that the Norwegian government believed that the United Kingdom's Off Shore Supply Office was discriminating against Norwegian supply vessels, with the result that the number of Norwegian vessels operating on the United Kingdom continental shelf had declined steeply.

The Prime Minister said that she had looked into this issue carefully. There were still a number of Norwegian vessels operating on the United Kingdom continental shelf.

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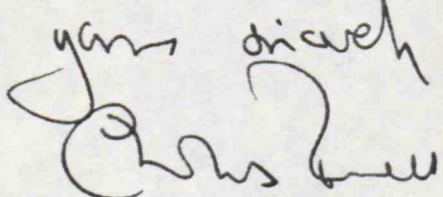
DA

The basic problem was one of over-capacity. Both Britain and Norway were in difficulty on this count. There was no point in her and Mrs. Brundtland quarreling about it. The right course would be to get the Norwegian Shipping Owners Association and the British Off Shore Support Vessels Association to get together and come up with proposals to deal with the problem in a way which would be fair and reasonable. The sooner they met the better. Mrs. Brundtland expressed satisfaction with this conclusion.

### Spitzbergen

As the meeting was ending, Mrs. Brundtland said that differences among Western countries about fishing off Spitzbergen only played into the Soviet Union's hands on the wider question of the development of natural resources on the continental shelf between Norway and Spitzbergen. She hoped that the United Kingdom and other West European governments would bear this risk in mind.

I am copying this letter to Jonathan Cunliffe (Department of Transport), Geoff Dart (Department of Energy), Shirley Stagg (Ministry of Agriculture, Fisheries and Food), Helen Ghosh (Mr. Waldegrave's office, Environment), Martin Dinham (Overseas Development Administration) and Trevor Woolley (Cabinet Office).

*Yours sincerely,*  
  
(C. D. POWELL)

Lyn Parker, Esq.,  
Foreign and Commonwealth Office.



THE MINISTER OF STATE

*CBR* *cc B/hp*  
*pc*  
DEPARTMENT OF ENERGY  
THAMES HOUSE SOUTH  
MILLBANK  
LONDON SW1P 4QJ

Direct Line 01-211 3290  
Switchboard 01-211 3000

A Bearpark Esq  
Private Secretary to  
The Prime Minister  
10 Downing Street  
LONDON  
SW1

24 April 1987

*en*

*Dear Andy*

I understand that the Prime Minister is to meet Mrs Bruntland on Monday. As requested, I attach a brief on oil policy.

*Yours sincerely*  
*Steve Whiting*

S J WHITING  
Private Secretary



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PRIME MINISTER

MEETING WITH THE NORWEGIAN PRIME MINISTER

You have an hour with Mrs. Brundtland on Monday. She will be accompanied by the Norwegian Ambassador and by her Private Secretary. The White Room will be set up for your later TV recording. You may want to see her either in the study or the Cabinet Room.

You will want to recall your visit to Norway, and mention your sadness at the death in February of the Norwegian Foreign Minister, Mr. Frydenlund.

Mrs. Brundtland is in London to launch the report of the United Nations World Commission on Environment and Development. This is surprisingly sane and not all gloom and doom, in good part due to Mrs. Brundtland's influence. It favours economic growth (by no means a foregone conclusion with this sort of body) and deals sensibly with limiting population growth, conservation of species, pollution control and similar problems.

The main subject should be your visit to Moscow (Mrs. Brundtland was there in December last year) and the prospects for arms control. The Norwegians have been quite sound on this, stressing the need to take account of chemical and conventional imbalances. But they will certainly favour a zero option down to 500 km.

There are no particular problems to discuss on oil. The Norwegians instigated production cuts in February, and support a dialogue between producers and consumers. They know that our views on both points are different.

There is, however, a tricky problem on offshore supply vessels. As a result of our policy of designating the offshore supply vessel fleet a "special interest sector", the

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Norwegian share of our market has been reduced to a sixth of its previous level. Mrs. Brundtland is reported to be intending to raise in very forthright terms what she regards as discrimination against Norwegian vessels. You can reply equally firmly that we have a duty to ensure that the British supply vessel industry is not disadvantaged by excess tonnage built by Norway and now on the market at distress prices. Anyway Norwegian vessels are continuing to win some business in the British sector, which is more than could be said until very recently about British vessels in the Norwegian sector. The best way forward is for our respective industries to draw up joint proposals to overcome the problems of over-supply exacerbated by the fall in oil prices. A fuller note is in the folder.

CDP

CDP

24 April, 1987.

JD3AYF



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✓ Blue

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

Charles Powell Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

24 April 1987

CM 24/4.

Dear Charles,

**PRIME MINISTER'S MEETING WITH THE NORWEGIAN PRIME MINISTER**

My Secretary of State has seen a copy of the brief which the Offshore Supplies Office has prepared for the Prime Minister's meeting with Mrs Brundtland on Monday. The Norwegian Embassy has warned us that Mrs Brundtland is likely to speak in very forthright terms about what she regards as discrimination by OSO against Norwegian vessels. If this should be her approach, my Secretary of State suggests that the Prime Minister might wish to state with equal firmness that the Offshore Supplies Office is carrying out its duty of ensuring that the British supply vessel industry is not disadvantaged by excess tonnage that has been built by Norway and is now being made available on our market at distress prices.

The Prime Minister might then go on to make the point in the OSO brief that Norwegian vessels are continuing to win business in the UK sector. Mrs Brundtland may claim that two British vessels have recently found employment in the Norwegian sector; this slight opening up of the Norwegian market can be acknowledged, though both are rather special cases, one in fact being operated by a Norwegian owner.

Having made these points by way of rebuttal, the Prime Minister could then go on to use the material suggested by OSO in paragraphs 1 and 2 of their "Points to Make".

I am copying this to Lynn Parker (Foreign Secretary's Office) and to Geoff Dart (Secretary of State for Energy's Office).

G  
J  
Jan.

J CUNLIFFE  
Private Secretary

DEPARTMENT OF TRANSPORT  
1000 STREET LONDON



CONDOR

III



*Private Secretary to Secretary of State  
for the Environment*

*Mr Powell*

*I hope this  
briefing might be of  
some use to the PM.  
We will be sending  
our press notice to No 10  
by hand on Monday.*

*L. Labato*

*APS / Sec. of State  
24.4.*

PS/MR WALDEGRAVE

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT: LAUNCH OF REPORT ON 27 APRIL

Mr Waldegrave will be arriving at the QEII Conference Centre at about 10.35 and will stay for the press conference and buffet lunch. Mr Heiser will also be present at the lunch.

The event will go out live (to those few in Europe able to receive ITN's Super Channel) from 10.15 to 11.30 although television will not begin in the auditorium until 10.40 when Trevor Macdonald opens the proceedings. This should just give Mr Waldegrave time to slip into his place.

Revised programme at B

Organisation by the WCED Secretariat continues to be chaotic and some changes have yet to be made to the original Programme at Flag B. We understand that the presentation to the Youth of the World (not the children we had been told to expect but young people from age 19 to 34) will be shorter. Also at Mrs Brundtland's personal request, Mr Waldegrave will be called on to say a few words of welcome at about 11.25. Draft speech notes are at Flag B; Mr Page is dealing separately with the press notice.

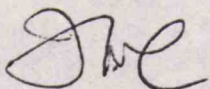
Preliminary responses within Whitehall confirm that the UK can generally be positive and welcoming about the report, although Lord Belstead has written to express MAFF's concern about references to ending sea disposal of wastes.

The folder contains briefing as follows:

Speaking Notes	A
<i>Revised</i> Published programme	B
List of Commissioners attending	C
"The Young People"	D
Summary of Report	E
ODA Briefing	F
Initial Whitehall comments	G
WCED overview	H

Mrs Brundtland will call on the Prime Minister on Monday afternoon. Although the WCED report will be mentioned the talks are likely to concentrate on other issues, notably East/West detente.

WCED tell us that 600 people are expected to attend the launch, 250 of them journalists. We are hoping to be able to make available in the QEII copies of our response to the World Conservation Strategy and of ODA's Aid and the Environment.



FIONA McCONNELL

24 April 1987

Copy to (with all annexes): PS/Mr Heiser

Copy to (with annexes A, E, F, G only) PS/Lord Skelmersdale

Dr Holdgate

Dr Fisk

Mr Rowcliffe

Dr King

Mr MacCormack

Mr Mills

Mr Robson

Mr Sanders

Mr J Smith

Mr Szell

Mr Stroud

Miss Alexander

Mr Bowden

Mr Page

Mr Dalton (FCO/MAED)

Mr Taylor (NRED ODA)

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

DRAFT SPEAKING NOTES FOR MR WALDEGRAVE

Allow me to offer thanks on behalf of the British Government that London has been chosen for the launch of this important report.

It is clear from what previous speakers have said that this is a far-reaching work that will take some time to digest. You will not expect me to offer a comprehensive response on this first day - never mind the studied views of my government - but I would like to make a few personal comments.

First and foremost the report is not all gloom and doom. It shows us that we can maintain and improve the quality of our environment if we choose. If we choose is the important message. The areas of choice are examined in a positive and realistic way. That too is helpful.

The report is finely balanced. I have heard it described as too balanced. I hope that is not a polite way of saying that it should be filed away and quickly forgotten. We must not allow that to happen. Controversial issues - like nuclear safety, population growth, protecting the world's ozone layer - cannot be ignored. We know there are no easy solutions but I want the report to stimulate genuine and if necessary heated discussion. If the interest already being shown in Britain is anything to go by, that is already guaranteed.

I should like the international debate to concentrate on three of the questions highlighted by the report:

- how are we to achieve economic growth without damaging our environment?
- how are we to bring environment and development together in a really integrated way?
- how are we to nurture the necessary sense of environmental care to tackle urgent global problems.

In the UK we will be looking to see how far the report answers its own questions: to see how far it takes us along the road of sustainable development signposted by the World Conservation Strategy; to see how we can transform lip service to the environment into genuine safeguards for our common future.

The presence of young people at today's launch reminds us that future generations will not forgive us if we refuse to face up to today's or even tomorrow's environmental challenges. We postpone difficult decisions at our peril - and theirs.

I am privileged to be the first Environment Minister (apart of course from those on the World Commission) to welcome the report. I salute its courageous call for greater economic growth rather than trying to put the clock back. I also salute the Commission for going out into the world to seek its evidence rather than calling in people to its Headquarters.

In the United Kingdom we look forward to playing a full part in the growing international debate. Here, as in other countries, we must see that everyone - environmental groups, schools, universities, industry and those of us in government - joins in. If we are to move towards the haven of sustainable development it will require the understanding and support of society as a whole, and that means the men and women of every corner of the world.



Outline

The report examines the most critical environment and development issues facing the world and proposes solutions. It concludes that not all is bad - there have been successes as well as failures - and that while there are some formidable problems disaster is by no means inevitable, provided that action is taken now. Far from seeking to limit development WCED's prescription is for economic growth as a means to development based on sustaining natural resources. A fundamental change in thinking on environment and development issues is called for with institutional and policy changes at national and international level to reflect it. This involves, inter alia, the integration of environment into development issues and changed international economic relations to channel more funds to developing countries to eradicate poverty, which is seen as a precondition for sustainable development. Removal of the inequalities between rich and poor is a consistent theme. In its consideration of key issues the report puts emphasis on limiting population growth, efficient and environmentally sound use of resources, the need to conserve species and ecosystems, sustainable agricultural and industrial development, renewable sources of energy, pollution control and, above all, on anticipation and prevention of problems before they arise. The link with peace and security and the importance of improved international relations is also stressed.

The report recognises that change will take time. The message is that sustainable development makes long term economic sense. The report stresses the need for international cooperation and the strengthening of institutions (notably, the United Nations Environment Programme (UNEP) to monitor global environmental trends and advocates the creation of a United Nations Board for Sustainable Development and the elaboration of a Convention on sustainable development. The Commission hopes that the report will be used as a UN action plan for sustainable development.

Implications for UK and other Western governments

Although the report contains much of principal interest to developing countries it emphasises that the onus for action lies on all countries. There are 4 broad related areas of interest to industrial nations:

- particular issues affecting industrial countries, such as toxic chemicals, wastes, air pollution, nuclear safety, effects of agricultural subsidies;
- problems of a global nature or affecting "the commons", such as climate change, ozone depletion, oceans, Antarctica. (The report calls for an end to dumping of wastes at sea, which will cause difficulties for UK.)
- relations with developing countries: changing lending/debt practices, trade patterns (eg export of chemicals, import of tropical timber), and aid practices and priorities in support of sustainable development. Increasing financial and technical assistance.
- pressing international bodies, especially multilateral financial institutions (such as the World Bank) to promote sustainable

development.

#### Assessment

Earlier expectation that the report would contain a host of radical and unacceptable recommendations have not materialised. Consideration of such contentious topics as population control, nuclear power, Antarctica and peace/security are remarkably balanced. This will not please many of the more extreme pressure groups.

The report is being considered in detail in Whitehall but DOE's initial reaction is that there is much in it about which the UK can be positive. The UK and other Western governments will be closely involved in international discussions of the report, culminating in a debate in the UN General Assembly in the Autumn.

F

Defensive Briefing

Aid Volume

Britain's aid programme is substantial, £1,235 millions in 1987/88. Aid cannot be exempt from the Government's overall policy to control public expenditure, but since 1982/83 aid has risen in real terms, and on present forecasts of UK inflation it will be maintained at least at its real 1986/87 level to 1989/90. In absolute terms Britain has the third largest aid programme in the European Community and the sixth largest amongst Western donors.

Improving Aid Quality: More Aid for the Poorest

We agree with the Brundtland Report in stressing the importance of aid effectiveness. The British Government places a high priority in ensuring the quality of Britain's aid. The OECD's Development Assistance Committee recently praised us for this. Eighty per cent of our bilateral aid goes to poorer developing countries, compared to less than 60% for DAC donors as a whole. Almost all new aid is given on grant terms.

The main objective of Britain's bilateral aid is to promote sustainable economic and social development.

Debt

Britain has led the way in converting past aid loans into grants for the poorest developing countries. Twenty-one countries are benefitting under our retrospective terms adjustment scheme (13 in Africa) at the total cost to the aid programme of nearly £1 billion.

But large-scale debt write off is not necessarily in the debtor country's best interest. This would damage credit worthiness in the longer term; and developing countries need external (private) investment as well as aid to finance development. Nevertheless, there is concern

about the scale of debt in Africa (even though the 29 poorest countries of Sub-Saharan Africa received in gross aid flows two and a half times (US\$7.8 billion) the sum (\$3 billion) they paid in debt service). International discussions are now concentrating on this issue.

.. It is misleading to suggest that countries are being exhorted to "export or perish" in order to meet debt obligations. They are being encouraged to boost export earnings to create conditions for more sustainable economic growth in the medium and long-term. Export is on the basis of comparative advantage: Where the products in question have relative cost advantage. It is not generally true that export commodities are more damaging to the long-term resource base than those produced for domestic consumption. Admittedly, some export crops, such as cotton, groundnuts and sometimes livestock, are not environmentally benign. But others such as coffee, cocoa, rubber, banana and spices, which grow on trees and shrubs, do provide continuous root structure and canopy cover. They leave the soil much less susceptible to erosion than say yams, maize, millet and cassava.

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Foreign and Commonwealth Office

London SW1A 2AH

24 April 1987

Dear Charles,

Call on the Prime Minister by the Norwegian  
Prime Minister: 1500 on 27 April 1987

// Mrs Brundtland is visiting London on 27/28 April in her capacity as Chairman of the United Nations World Commission on Environment and Development for the public launch of the Commission's report. She will be accompanied by Mr Rolf Busch, the Norwegian Ambassador, and by Mr Morten Wetland, her Private Secretary. Personality notes are enclosed on Mrs Brundtland and Mr Busch.

It has been agreed with the Norwegians that discussion should concentrate on East/West relations, including prospects for the Geneva arms control talks. We understand that Mrs Brundtland will also touch on aspects of the World Commission's report and raise the problem of Norwegian offshore supply vessels operating in the UK sector of the North Sea.

#### Anglo/Norwegian Relations

These remain fundamentally warm and close. The principal irritant continues to be acid rain, despite the measures to curb sulphur emissions from certain British coal-fired power stations announced by the Prime Minister during her visit to Norway in September last year. The Norwegians would still like us to join the "30% Club" (undertaking to reduce emissions by 30% on 1980 figures by 1993).

#### Internal Political scene

Mrs Brundtland's minority Labour government has proved over the last twelve months to be more difficult to oust than the Conservative-led coalition parties expected. Nor have the Conservatives yet found a leader of Willoch's stature. Labour have pursued a path of compromise domestically: two of Willoch's former coalition partners

/supported

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supported Labour's budgetary measures in December 1986. The next critical moment is expected in mid May when Mrs Brundtland should propose further budgetary measures to deal with declining (by two thirds) oil revenues and inflation (10%).

This could be the Conservatives' last opportunity to regain power before the 1989 election. They intend to call a vote on their alternative budget proposals. Thereafter municipal elections in September will provide a further test. Unless they reveal a significant shift towards the Coalition partners, Mrs Brundtland should remain in office until 1989.

The death on 26 February of Mr Knut Frydenlund, Norway's respected and well-liked Foreign Minister, deprived Mrs Brundtland of her most experienced Minister (Lady Young represented the British Government at the funeral on 6 March). There has been no sign as yet that the new Foreign Minister, Thorvald Stoltenberg, intends to alter the direction of Norwegian foreign policy.

#### East/West Relations

Mrs Brundtland will be interested to have the Prime Minister's impressions of her visit to Moscow: Mrs Brundtland was herself there in December 1986 and had four hours of talks with Gorbachev and Ryzhkov.

Norway's relations with the Soviet Union are correct and have returned to an even keel after the exposure in 1984 of the Norwegian diplomat, Arne Treholt, as a Soviet spy. Norwegian objectives are to keep tension, particularly in the north, as low as possible; to be seen to remain leading advocates of disarmament negotiations; to forestall any Soviet attempt to encroach on Norwegian sovereignty over the Svalbard Archipelego, where Russians outnumber Norwegians; and to preserve their interests in discussions with the Soviet Union about the delimitation of the Barents Sea. Soviet objectives are to further their cause concerning these territorial issues and to exploit differences between Norway and her allies, for example over nuclear weapon free zones and Norwegian reluctance to provide facilities for nuclear carrying ships and aircraft.

/Recent



Recent indications of an improvement in Soviet-Norwegian relations are the unpublicised resolution of two human rights cases, a reduction in challenges to Norwegian sovereignty on Svalbard, and fewer attacks in Pravda on Norwegian policy. There are plans for Ryzhkov and Shevardnadze to visit Norway during the next year.

#### Geneva Talks

We understand that the Norwegian government are examining a draft white paper which, among other things, considers the possibility that NATO's nuclear strategy should be based on a policy of no first use of nuclear weapons. The paper has yet to be published and it seems likely that nothing very new will eventually emerge, although there will probably be a recommendation that NATO members should all try harder to improve conventional capability. On the question of a Nordic nuclear weapon free zone, the previous (Conservative) Norwegian government prevented Nordic consideration of this issue in the belief that the proposal was a nonsense. The present government have acquiesced in the establishment of a Nordic official working party to examine the proposal, though they have made clear their position that the establishment of a zone must depend on complementary progress on disarmament elsewhere in Europe.

On INF, the Norwegian Ambassador to NATO has expressed concern that it may be difficult for the Norwegian government to hold to the NATO line on the recent offer of zero/zero SRINF on the grounds that what amounted to a unilateral disarmament measure by the Russians might prove popular with the Norwegian public. However, at Shultz's debriefing to the North Atlantic Council following his visit to Moscow the Norwegians confirmed their support for the US approach to the present INF issues and the need to take into account conventional and chemical imbalances.

We recommend that the Prime Minister commend this latest statement of the Norwegian position. She might note the need for work and consultations in the Alliance on the Soviet proposals to be carried forward urgently. Meanwhile it will be necessary for the Alliance to continue to emphasise the importance of nuclear deterrence/flexible response, the essential criterion remaining security rather than progress in arms control for its own sake.

/World



World Commission on Environment and Development

The World Commission was set up by the UN General Assembly in 1983 to look ahead at critical environment and development problems and to propose better ways and means for the world community to address them. The Commission's report will have been launched by Mrs Brundtland at a ceremony at The Queen Elizabeth II Conference Centre on the morning of 27 April. Mr Waldegrave will attend. The event is expected to attract much attention in the media. A summary of the report's findings is enclosed.

The Department of Environment are co-ordinating the UK response to the report and will send you advice separately. DOE's initial reaction is that there is much in it about which we can be positive. Earlier expectations that the report would be dominated by radical and unacceptable recommendations have not materialised. Consideration of such contentious issues as population control, nuclear power, Antarctica and peace/security are balanced. This will not please many of the more extreme pressure groups. The UK will be closely involved in international discussion of the report. The first major discussion will be at the 14th General Council of the UN Environment Programme in Nairobi in June. There will also be a debate in the UN General Assembly in the autumn.

Offshore Supply Vessels

Mrs Brundtland is expected (as in September 1986) to raise the question of access for Norwegian offshore supply vessels to the UK market. A background note is attached.

We recommend that the Prime Minister say that we see the basic problems as over-capacity on both sides. In our recent bilateral contacts (most recently between the Norwegian Minister of Petroleum and Mr Buchanan-Smith on 7 February) it has been agreed that the two industries should be urged to work out a solution.

If pressed on access by Norwegian vessels to the UK sector, the Prime Minister could point out that Norwegian vessels, together with eg Dutch and German ones, are still obtaining contracts in the UK sector, albeit fewer than before. This contrasts with the position in the Norwegian sector, where British supply vessels have yet to gain a single contract. So far at least, the recent relaxation by the Norwegians of their restrictive pilotage regulation for foreign vessels has not helped us.

/We



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We understand that letters from Norwegian Ministers on this are on their way to Mr Buchanan-Smith and Lord Brabazon. The departments concerned will provide any additional briefing which may be necessary.

I am copying this letter to the Private Secretaries to Mr Waldegrave, Mr Buchanan-Smith and Lord Brabazon.

*Yours ever,  
L Parker*

(L Parker)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

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PRIME MINISTER'S MEETING WITH MRS BRUNDTLAND : 27 APRIL

REPORT OF THE WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

1. The Report concludes that not all is bad - there have been successes as well as failures - and that, while there are some formidable problems, disaster is by no means inevitable, provided action is taken now. Far from seeking to limit development, WCED's prescription is for economic growth as a means to development based on sustaining natural resources. A fundamental change in thinking on environment and development issues is called for, with institutional and policy changes at national and international level to reflect it. This involves, inter alia, the integration of environment and development issues and changes in international economic relations to channel more funds to developing countries in order to eradicate poverty: this is seen as a precondition for sustainable development. Removal of the inequalities between rich and poor is a consistent theme. The Report puts emphasis on limiting population growth, efficient and environmentally sound use of resources, the need to conserve species and ecosystems, sustainable agricultural and industrial development, renewable sources of energy, pollution control and, above all, on anticipation and prevention of problems. The relevance of peace and security to the environment is also stressed.

2. The Report stresses the need for strengthening institutions, such as the United Nations Environment Programme (UNEP) and advocates the creation of a United Nations Board for Sustainable Development and a Convention on this subject. The Commission hope that their Report will be used as the basis for a UN action plan.

3. The Report emphasises that the onus for action lies on all countries. Four main areas of interest to industrial nations are:

- particular issues affecting industrial countries, such as toxic chemicals, wastes, air pollution, nuclear safety, effects of



agriculture subsidies;

- problems of a global nature such as climate change, ozone depletion, oceans, Antarctica. (The Report calls for an end to dumping of waste at sea, which will cause difficulties for UK);
- relations with developing countries: changing lending/debt practices, trade patterns (eg export of chemicals, import of tropical timber), and aid practices and priorities in support of sustainable development. Increasing financial and technical assistance;
- pressing international bodies, especially multilateral financial institutions (such as the World Bank) to promote sustainable development.



THE PRIME MINISTER'S MEETING WITH MRS BRUNDTLAND  
ON MONDAY, 27 APRIL

OFFSHORE SUPPLY VESSELS (OSVs)

Background

1. The Norwegians are still annoyed about the decision taken by the Offshore Supplies Office (OSO) of the Department of Energy last year to designate the UK offshore supply vessel (OSV) fleet a "special interest sector" ; a policy which has had the effect of reducing substantially the Norwegian share of the UK market (from 35 vessels a year ago to a sixth of that now). The Norwegians are also concerned about the possibility of our closing our cabotage to outsiders. We have been able to offer them some comfort on cabotage negotiations but none on OSVs.

2. The special interest sector policy allows oil companies to pass all their OSV contracts to the OSO to allow the latter to ensure that British vessels have had a "full and fair opportunity" to compete. While contracts for UK/EC vessels are processed immediately, there is an inherent administrative delay in the processing of contracts awarded to foreign vessels. This is inconvenient for the companies and discourages them from using foreign vessels.

3. On the one hand, Ministers have accepted that, given the genuine difficulties the oil slump is causing for the UK OSV fleet, an important and vocal sector of the UK shipping industry, it is politically necessary to act. On the other hand, OSO's "special interest sector" policy does represent an administrative barrier to free trade. As such it sits uneasily with our support for freedom of trade in services, for which we have argued strongly in the GATT.

4. Although the Norwegians do themselves pursue protectionist policies, OSO have not been able to produce very convincing evidence. Indeed a recent report on the UK OSV industry by outside consultants Cooper and Lybrand, revealed that a range of factors was responsible for Norwegian penetration of the UK market beyond those such as a more favourable tax and finance regime. It quotes UK oil companies as believing that Foreign vessels are better crewed, better maintained and offer a superior service at the same price, while foreign owners appear to market their vessels more aggressively.

5. In recent Ministerial and official contacts both sides have urged the two industries to work together to find a solution to the OSV capacity problem.

Maritime, Aviation and  
Environment Department  
FOREIGN AND COMMONWEALTH OFFICE

22 April 1987



Prime Minister's meeting with Mrs Bruntland, 27 April 1987

OIL POLICY (Defensive)

Objectives

To confirm there has been no change in UK policy on UK oil production, or on producer-consumer dialogue.

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Arguments to Use

- We remain convinced that for the Government to interfere with companies' decisions on production would be wrong. If cutting production could raise prices, they are free to do so, and better placed to make the judgement.
  
- HMG has to take account of the interests of industry and consumers, who do not want higher prices.
  
- Skeptical of any value in discussions between producers and consumers. No prospect of political agreement, and market would produce a different answer anyway. More likely to produce confrontation than concord.
  
- But bilateral contacts, like our meeting today, are always helpful.



- 2 -

- No change implied by Mr Walker's visit to Saudi Arabia. Simply a follow-on to his meeting with Mr Nazer during State Visit of King Fahd.
- Action taken by Norway to support OPEC, a moderation of expected production increases, is not an option open to us. Our production flat or declining.



1 When you met Mrs Bruntland in Norway last September, she referred briefly to oil, suggesting that the Norwegian government's action to restrain oil exports should be helpful to the UK. You said that the UK would continue in its present policies. ,

2 From 1 February, the Norwegian government instigated production cuts of about the same amount (80,000 barrels/day). It was made clear that this is an independent action by Norway to support higher prices. The Oil Minister (Mr Oeien) recently repeated that decisions on continuing the measures beyond June will depend on the success of OPEC's aim of stabilising prices near \$18.

3 Prices for the last month have remained close to the level of \$18 a barrel for Brent, which is about \$1 below OPEC's target level. OPEC output, including that of Saudi Arabia, is thought to be near quota now after a sharp fall in February and March. This leads to more optimism that the price could hold for the rest of the year. However, demand is growing more slowly than OPEC expected, and there will be additional exports from Iraq from July onwards.

4 Mrs Bruntland in a speech in Oslo last month argued for more contacts between producer and consumers and less confrontation. Noting that Norway has a foot in both camps, she declared that they would seek to encourage such discussions in a framework of "global energy policy interrelations".

5 At least one newspaper (The Guardian, which has long argued for dialogue with OPEC) has interpreted Mr Walker's visit to Saudi Arabia as a sign of a change in policy towards OPEC. In fact, it simply follows from the State Visit, when Mr Walker met Mr Nazer, the Saudi Oil Minister, for the first time, and was invited to visit Saudi Arabia.

Oil 4(e)

24 April 1987



## BRUNDTLAND, MRS GRO HARLEM

Prime Minister since May 1986. Chairman of the Norwegian Labour Party since April 1981 and Labour MP for Oslo.

Born in Oslo in 1939, daughter of Professor Gudmund Harlem.

Degree in medicine, 1963. Postgraduate student at Harvard, 1964. Assistant Medical Officer in the Directorate of Health Services, 1965. Subsequently worked in the Children's Department of two Oslo hospitals. Assistant Medical Superintendent for Schools in Oslo, 1969. Her early political activity included a period as Vice-Chairman of the Federation of Socialist Secondary School Pupils and the Labour Party Students' Federation.

Minister of the Environment from 1974-79. Deputy Chairman of the Labour Party, 1975-81. First elected to the Storting for one of the Oslo seats, 1977. Chairman of the Storting Foreign Affairs Committee 1981. Parliamentary leader of the Labour Party 1981-86.

Her departure from Ministerial office in October 1979, following the Labour Party's poor showing in the Local Elections that autumn, implied criticism of her performance as Deputy Chairman of the Party and reflected bitter infighting within the Party. It was no reflection on her capable performance as Minister for the Environment. She soon rebounded from this set-back and, by the summer of 1980, opinion polls showed that among its grass roots representatives she was the most popular personality in the Labour Party. This support was confirmed when Mr Odvar Nordli announced his resignation as Prime Minister at the end of January 1981 and Mrs Brundtland was chosen as his successor. It was further demonstrated at the Party Convention in April 1981 when she ousted the previous incumbent (Mr Reiulf Steen) from the Chairmanship.

It was largely thanks to Mrs Brundtland's efforts that the Labour Party managed a creditable performance in the last two General Elections. She has no current rival as Party Chairman, but she has never achieved complete control of the Party's factions and is sometimes forced to compromise for the sake of maintaining party unity. The most obvious example of this was in connection with INF policy on which, in the course of 1983, the strength of left-wing opinion obliged her progressively to abandon the support for the twin-track decision espoused by her Government in 1979.

Mrs Brundtland is a keen advocate of women's rights, as instanced by 40% of her 1986 Government being female. She has a tendency to over-react to criticism. This brittleness has been reflected during television debates with Mr Willoch. However, she has made a creditable effort to overcome this defect and Mr Willoch is no longer the automatic winner in such confrontations.

Mrs Brundtland was a sponsored visitor to Britain in 1976. She lived there for a while before her marriage and has been there several times since. Her attitude to Britain is positive but forthright. Her English, like everything else about her, is brisk and businesslike. She married Arne Olav Brundtland in 1960. He is a well-known political commentator in the Conservative interest! But they seem to get on well and he is justifiably proud of her. They have four grown-up children.

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BUSCH, ROLF TRYGVE

Ambassador to London since 1982.

Commander of the Order of St Olav.

Born 15 November 1920. Graduated in law 1946. 1946-49, Junior posts in the MFA. 1950-52, Second Secretary Cairo (also accredited to Addis Ababa, Beirut and Damascus). 1952-54, Second Secretary New York. 1954-56, First Secretary, MFA. 1956-57, Norwegian Defence College. 1957-60, First Secretary Norwegian Delegation to NATO and the OEEC, Paris. 1960-63, MFA. 1963-65, Deputy Director General of the Political Divisions, MFA. 1965-70, Counsellor Norwegian Delegation to NATO, Paris, and later Brussels. 1970-71 Director-General MFA (Administration). 1971-77 Ambassador and Norwegian Permanent Representative to NATO, Brussels. 1977-81 Ambassador Bonn, and Head of the Military Mission, Berlin.

Not an outstanding personality inspite of his distinguished career. Married (wife's name Solveig).

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INITIAL INTER-DEPARTMENTAL REACTIONS TO REPORT OF WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

OVERALL IMPRESSIONS

- Generally report positive, realistic and balanced (e.g. on nuclear power).
- Welcome overall prescription of growth based on sustainable use of natural resources.
- Some good analysis of current problems (e.g. good production) but some confusion between environmental and developmental issues. Latter tend to attract remarks about inequalities between developed and developing world and need for more aid.
- Report rather woolly and cliché-ridden. No clear-cut recommendations or priorities for action. Cannot do everything at once. Tendency to call for something to be done without indicating how or by whom. Not clear at what level problems/solutions addressed - global, regional, national, individual.
- No mention of World Conservation Strategy, though report is much in line with it.
- UK will have difficulty with call for ending sea disposal of waste. Dubious about some proposals: new UN Board for Sustainable Development, Declaration and Convention on environmental protection and sustainable development, use of international "commons" and natural resources for raising extra revenue.

PARTICULAR THEMES

Poverty

- Agree entirely alleviation of poverty an essential aim in itself and a necessary part of sustainable development.

International economy

- Economics of chapter somewhat shaky. Very little in-depth analysis. Role of international financial issues over-emphasised. Little on trade and commodities aspects that can be supported.

- Support emphasis on interdependence between developed and developing countries and on links between commodity, debt and resource problems.
- Agree need for policy reforms by developing countries themselves, but not implication that problems are largely beyond their control.
- Agree with distinction between poor sub-Saharan African countries and middle-income Latin American ones. UK does not advocate debt service relief for latter.
- Agree to keep international markets open and resist protectionism.
- See signs of international institutions responding with increased sensitivity to problems of developing countries.

#### Food Security

- Excellent resume of global food production, problems and effects of environmental degradation.
- UK attaches great importance to effects on LDCs of protectionism in industrialised countries and of non-emergency food aid and to role of women in agricultural production.
- UK encourages aid recipient countries to pursue self reliance. Aid for renewable natural resources has increased.
- Support references to need for agricultural policies to take account of ecological dimension.
- UK already seeks to balance conservation and agricultural interests and has taken steps to control agricultural pollution. Need to tackle problem of surpluses and encourage environmentally sound farming practices recognised in UK.

## Population

- Agree with focus on effect of growing population in poorer parts of world. No doubt that pressure of population on natural resources is main cause of environmental degradation. Note emphasis on right of self-determination in choosing family size.
- Welcome emphasis on health and education and importance of people in sustainable development. Successful development needs to be people-centred both as its object and instrument.

## Species and ecosystems

- Much of what is said accords with World Commission Strategy (WCS) (e.g. link between conservation and development, call for national conservation strategies) but WCS gets no mention.
- Support stress placed on conservation of living e.g. tropical forests, natural resources. Diversity of species increasingly recognised as important for economic development. Some excellent work being done by or for aid recipient countries.
- Not clear what is envisaged by a "Special Convention" or how it would relate to existing Conventions (e.g. CITES, Ramsar) of which report is too dismissive. Is it just a way of raising money e.g. for conserving tropical forests?
- Welcome call for more protected areas and other measures at national level. Support emphasis on public education.

## Energy

- Support emphasis on importance of diversity of energy sources which are dependable, safe and environmentally sound as basis for sustainable development. Report right to emphasise central role of energy for poorer countries and need to find ways of using it less intensively. Depletion of forest resources a major problem.
- Welcome references to energy efficiency: agree that achievement of cost-effective improvements in energy efficiency a primary objective in all countries.

- Assessment of role of renewable energy realistic. Recognises that it will be some time before renewables make a substantial contribution.
- Discussion of aims and benefits of nuclear energy generally fair and balanced. Acknowledges important role of nuclear energy. Agree highest internationally-accepted safety standards must be applied to civil nuclear operations.
- Welcome concern about atmospheric pollution. UK shares it and continues to take action to reduce emissions. Insufficient emphasis on urban air pollution and acid rain as increasingly Third World problems. Question need for immediate measures on greenhouse effect.
- A number of other reservations e.g. no mention of natural gas, treatment of radioactive waste disposal negative: no recognition that sea disposal can be best practicable environmental option (bpeo).

#### Industry

- Agree industry essential to growth. Welcome emphasis on industrial development which is efficient, sustainable, generating less waste and pollution.
- Rightly attaches importance to dealing with (potential) industrial hazards e.g. chemicals and wastes. Glad that recommendations on export of chemicals do not include prior informed consent. Constructive guidance on wastes.
- Welcome greater cooperation with industry and recognition of efforts already made by industry in environment field.
- Perhaps undue emphasis on role/responsibilities of transnational corporations (TNCs). No reason why TNCs should be subject to more stringent controls than domestic-based firms.

#### Urbanisation

- Share report's concerns about rapid and uncontrolled urbanisation and on need for multi-faceted solution. Very much agree about importance of involving people in decisions affecting their environment.

- Welcome theme of local solutions to urban problems within broad frame work of national strategies.

### Managing the Commons

#### Oceans

- NE Atlantic fisheries already subject to well-developed arrangements for effective international cooperation on conservation/management.
- Call for end on sea dumping of waste does not recognise that it can be bpeo.
- Note call for "major technological powers" to ratify UN Law of the Sea Convention: UK is one of those who have not signed because of sea bed provision but as report says many provisions of Convention have been accepted and entered into international law and practice in other ways.

#### Space

- Reasonable; note references to potential developments in international law to regulate activities in space.

#### Antarctica

- Broadly balanced and accurate assessment. Rightly critical of some aspects of Antarctic affairs. Welcome conclusion that way forward is by building on Antarctic Treaty (and agreements developing from it).

#### Peace and Security

- Initial reaction broadly favourable.
- Important point that environmental stress can itself be a source of conflict. No one would disagree about desirability of good international relations. Handling of arms reduction issues generally balanced.

- Note report's conclusion that there is no simple correspondence between reduced defence spending and increased aid and that redeployment of resources from military sector to other sectors or countries is not a quick or easy matter.

#### Proposals for institutional and legal change

- Agree that environmental and developmental considerations must be integrated into decision-making processes of governments and reflected in policies. UK aid programme designed to promote environmentally sound development. Encouraged by seriousness with which multilateral aid agencies, including World Bank, are tackling issues.
- Welcome call for improved coordination and cooperation between international bodies. Agree they should take environmental and resource aspects into account in planning programmes.
- Proposal for new UN Board for Sustainable Development an interesting idea. Functions and relationship with existing bodies will need careful thought. Worth considering whether objectives can be achieved by making existing institutions more cost-effective.
- Welcome proposals for strengthening catalytic and coordinating role of UNEP and greater emphasis on environmental monitoring and risk assessment. Proposal for independent international programme for risk assessment interesting and merits careful consideration.
- Welcome emphasis on involvement of people, ngos, industry etc.
- Welcome call to strengthen existing international law but proposal for Declaration (and Convention) on environmental protection and sustainable development seems premature. Best to focus on instruments to meet specific concerns: this would obviate need for general instrument. Report highlights some particular areas for possible global conventions: UK least concerned about need for one on biological diversity. Sceptical about formation of Special Chamber of International Court of Justice to deal with environmental disputes.



Legal Principles

- UK can subscribe to most as general principles (though their enshrinement in a legally-binding instrument is another matter).
- Main difficulties for UK relate to principles dealing with transboundary issues, including liability and compensation for "interferences".

April 1987





cc PC  
cc Blup

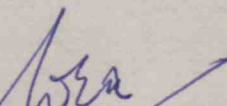
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cc PS/MOS  
Mr Chipperfield  
Mr d'Ancona  
Mr Sunderland -  
D/Transport

PRIME MINISTER'S MEETING WITH NORWEGIAN  
PRIME MINISTER: MONDAY 27 APRIL 1987

We think it very likely that the Norwegian Prime Minister will use this occasion to raise the issue of the supply boat market in the North Sea.

In the event that she does, we attach briefing for the Prime Minister, ie. points to make, detailed background and, as an Annex, a general background note on the supply boat market.

  
W E ALLISON

OS01  
Department of Energy  
Alhambra House  
GLASGOW

23 April 1987

PRIME MINISTER'S MEETING WITH NORWEGIAN PRIME MINISTER:  
SUPPLY VESSEL ISSUE

STEERING BRIEF

1. Ms Gro Harlem Brundtland may raise the issue of supply vessels used for offshore oil and gas support work. The Norwegians are complaining that their share of UK Continental Shelf (UKCS) business is declining - principally through the actions of the Department of Energy's Offshore Supplies Office (OSO). There has been a long-standing dispute over Norway's substantial share of the UK market compared with a negligible UK share of theirs.
2. The Prime Minister will recall the excellent support provided by the UK flag supply vessels during the Falklands Campaign.
3. The Norwegian Minister for Petroleum and Energy, Arne Oien, has responded to an earlier letter from Energy Minister, Alick Buchanan-Smith. A copy of their correspondence is attached.

POINTS TO MAKE

1. The best way forward is for our respective industries to meet and draw up joint proposals to overcome the problems of over-supply exacerbated by the fall in the oil price. Any proposals will need to include the fleets of our EC partners active in the market, ie. German, Dutch and Danish operators.
2. I understand that the Norwegian Shipowners Association (NSA) have already agreed to meet their British counterparts, the British Offshore Support Vessels Association (BOSVA), but have not yet been in touch to arrange a meeting. For their part, BOSVA are more than willing to help draw up proposals on re-structuring our supply boat industries and have offered to take the initiative in getting in touch with the NSA.
3. Norwegian vessels can and still do win business in the UK sector. At 10 April, there were six Norwegian vessels working on term charters on the UKCS; there were no UK vessels working in the Norwegian sector.

BACKGROUND

4. OSO SUPPLY BOAT INITIATIVE

The situation for our supply boat industry became critical earlier last year with growing Norwegian activity in our market at a time when a substantial downturn in the level of business occurred due to the fall in the price of oil. In consequence, the UK share of the market fell with vessels becoming idle and charter rates falling to uneconomic levels. There was a grave danger that this vital and strategically important industry would cease to exist.

5. As a result, the Offshore Supplies Office (OSO) discussed

the situation with the oil companies' representative body, United Kingdom Offshore Operators' Association (UKOOA) and an agreement was reached to classify the supply boat sector as an area of 'special interest'. As a result, oil companies have tended to use UK or other EEC vessels in preference to Norwegian and most Norwegian vessels have now left the UKCS for lay-up in Norway. Despite this action, over 30% of the UK fleet has been laid up and a further 20% is without term charter.

6. The Norwegian supply vessel industry has, of course, been very concerned and aggrieved at its loss of UKCS business. In the twelve months from April 1986, the number of Norwegian vessels working in the UK sector has fallen from 32 to 6. The Norwegian government has made its concern known and FCO has been co-ordinating the UK response

7. The UK view is that the problems of the North Sea supply vessel industry stem from a number of factors, the two main ones being:

i) serious overbuilding by Norwegian owners in the late 1970s and early 1980s which was far in excess of Norway's home market requirements and which has created a permanent buyers' market on the UKCS. This growth was based on a secure home market which neither British nor other European vessel operators found able to penetrate despite competing effectively in other areas around the world.

ii) the downturn in the market during 1986 due to the fall in oil prices.

8. Even in these circumstances, the UKCS remains a market with international competition under our Full and Fair Opportunity policy. Currently out of 74 vessels working on term charter in the UK sector, 18 are foreign-flagged; 6 of these are Norwegian. By contrast, in the Norwegian sector only one non-Norwegian flagged vessel has a term charter. There are no British vessels working in the Norwegian sector.

9. We believe that the best way forward is for the two industries, UK and Norwegian, to consider methods of reducing the number of laid-up vessels, perhaps through scrapping older boats, seeking other uses for them, or selling into other territories.

10. Earlier this year, the NSA had agreed to hold talks with BOSVA to discuss ways of re-structuring the industries but no progress has been made.

## GENERAL BACKGROUND

1. Supply vessels are used to perform specific functions in support of offshore drilling, field development and production operations. The main functions of the vessels are in towing mobile drilling rigs or construction barges and ferrying supplies and construction materials. Numbers vary with the level of business but around 180 supply vessels are at present working in North West European waters. The United Kingdom Continental Shelf (UKCS) currently provides work for 95 vessels; the Norwegian sector for 45; and the Dutch sector for 32. The remainder are split between Denmark, Ireland and Germany.

2. In terms of flag registration, the UK fleet has around 75% of its home market although a number of these vessels are beneficially owned by US, Norwegian, Danish and German companies. In contrast Norway's share of its home market rarely falls below 95% and frequently stands at 100%. In addition, all Norwegian vessels are beneficially Norwegian owned. Norway claims to have an 'open' market policy but during this decade no other country's vessels have been able to win more than token business in this sector. This includes the US, British, German, Dutch and Danish fleets all of which compete and win business in many other parts of the world.

3. During the early 1980s the Norwegian supply boat industry, using its sound home market base, rapidly built up a fleet of almost double the size necessary to service its home market. This was then used to aggressively attack the UKCS market. As a result there have been almost continuous complaints from our supply boat operators about an 'unfair' trading situation and requests for Government intervention. A minor pilotage concession in Norway was achieved but the over all imbalance in market share has remained unchanged.



DEPARTMENT OF ENERGY  
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THE MINISTER OF STATE

Mr A Oien  
Norwegian Minister of Petroleum  
Ministry of Petroleum and Energy  
Tollbugaten 31  
OSLO 1  
Norway

13 February 1987

*13 - Ar - 2,*

I was glad of the opportunity to discuss the question of supply boats with you at Sanderstolen, but I must confess I was somewhat surprised that you pressed it in the way you did.

I had understood that, following the visit to Norway by John d'Ancona in December, a way forward had been agreed with the Norwegian Shipowners Association (NSA). At that meeting NSA agreed that they would formulate proposals aimed at restoring some balance in the market place. NSA would then discuss their proposals with the British Offshore Supply Vessel Association (BOSVA) and other EEC vessel companies to try to negotiate an agreed industry strategy. BOSVA had been advised to expect some NSA proposals and has been pressed to respond constructively.

However I understand that BOSVA is still awaiting NSA to contact them. I still believe that this - industry-wide agreement on reducing the numbers of vessels in the marketplace - is the right way forward and that the ball is firmly in NSA's court. I would be very disappointed to discover that that was not now the view of the Norwegian Government.

During our discussion at Sanderstolen I did undertake to write explaining general terms our view on the North Sea supply vessel industry and its difficulties. The problems of the industry stem from a number of factors, the two main ones being:

- i) serious overbuilding by Norwegian owners in the late 1970's and early 1980's which was far in excess of Norway's home market requirements and which has created a permanent buyers' market on the UKCS. This growth was based on a secure home market which neither British nor other European vessel operators found able to penetrate despite competing effectively in other areas around the world.
- ii) the downturn in the market during 1986 due to the fall in oil prices.

Even under these circumstances the UK sector remains a market with international competition under our Full and Fair Opportunity rules. Currently out of 76 vessels on term charter over 25% are foreign

*17/2*



flagged, the largest share being Norwegian with 7 vessels. I understand the corresponding position in Norway is that only one non-Norwegian flagged vessel has a term charter. This situation in Norway, of course, is not new but remains a constant source of complaint from UK and other EEC vessel operators. Moreover, it places in context the value of the changes in pilotage regulations which have patently not yet altered at all Norway's share of its home market.

The above figures demonstrate clearly that the UK market is open to international competition while considerable doubt remains over Norway's position. In terms of spot market work, again the UK has international competition with vessels from Norway, Holland and Germany based in the UK and winning business. However, there are only Norwegian vessels in Norway competing for Norwegian spot market work. It is difficult to avoid the inference that non-Norwegian vessel operators are unconvinced that genuine opportunities exist for business in Norway. They obviously have no such reservations about the UK.

Whilst I recognise that Norway's supply vessel fleet is suffering I think you should be aware of the scale of the problem within the UK. At present 50% of the UK fleet is either laid up or working in a very poor spot market. Indeed it is arguable that the UK fleet has suffered more severely than the Norwegian; since January 1986 UK vessel lay up has risen from 6 to 30, a factor of 5, while Norway's has risen from 14 to 53 a factor of less than 4.

You will understand from all this that the UK Government also is under severe pressure from our vessel operators for measures to help them through this difficult period. However, I believe that the industry itself, not Government, must take the initiative in formulating proposals and ideas for solving its difficulties. The role of our respective Governments is to respond helpfully and sympathetically once the Norwegian and UK associations and other EEC companies have discussed and developed proposals. Other forms of Government intervention - of any sort - would at this time, I believe, be premature.

We continue to look forward to NSA's proposals which were promised early this year. I hope very much that they will provide a basis on which our industries can agree on a constructive way forward. I will, of course, lend my support to encouraging BOSVA to respond positively. It would be very helpful if you could similarly encourage the NSA in their efforts.

*Your sincerely,  
Alick*

ALICK BUCHANAN-SMITH





THE ROYAL MINISTRY OF PETROLEUM AND ENERGY

TOLLBUGT. 31 - LONGDISTANCE 02 41 90 10 - P.O.B. 8148, DEP., OSLO 1, NORWAY

THE MINISTER

Mr. Alick Buchanan-Smith  
Minister of State for Energy  
Thames House South  
Millbank  
London SW1P 4QJ  
Great Britain

Oslo, 10 APR. 1987

Thank you for your letter. I am disappointed to see that you emphasize the excess capacity in the market and thereby avoid my main point from the Sanderstølen meeting. The limited access Norwegian supply vessels have to the UK shelf is still of great concern.

I would not disagree that excess capacity is a problem and that a certain reduction is needed. Joint efforts could contribute to a solution, though I think this should be carried out without governmental involvement. In this respect, we have been in contact with the Norwegian Shipowners Association (NSA), which confirms that they intend to contact UK owners shortly. During the meeting with Mr. John D'Ancona, which you refer to, it was agreed, however, that before such a contact could produce any result, the ongoing restructuring of the Norwegian support vessel industry must have shown some progress. The situation in Norway is that there are between 30 - 40 companies involved in the support vessel business. The total debt of the fleet in question is a little more than £ 400 million. Quite a number of companies today have a negative equity position, which makes negotiations very complicated. However, both banks and shipping companies are making efforts to restructure the industry and to eliminate some 30 older vessels from the North Sea market. The NSA should be prepared to present some preliminary proposals to their UK colleagues within a month's time.

The NSA indicates that UK owners apparently are very satisfied with the present situation whereby Norwegian vessels very effectively are excluded from the British market. This has enabled UK owners to agree on minimum rates in the UK sector, rates that on the average are significantly higher than in the Norwegian sector. Due to this, there is a very limited interest among UK owners to work in the Norwegian market, regardless of the changes in the pilotage regulations.

We completely disagree with the statement that the UK sector remains a market with international competition under full and fair opportunity rules. I would like to remind you of the letter that Offshore Supplies Office sent to the UK operators the 26th

February 1986 asking them to consider the supply vessel sector an area of special interest. The same letter had a specific address to Norwegian shipowners based on charges of unfair competition. A joint UK/Norwegian working party has unanimously refuted these charges.

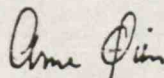
I also would like to remind you of the dramatic effect of the OSO instruction. The Norwegian share of the UK vessel market has been reduced from 20% to less than 5%. This 75% reduction is quite substantial compared to vessels from other nations that have only seen a 30 % reduction. If we look at the total number of laid up vessels in the North Sea, more than 50% are Norwegian registered vessels, while the Norwegian share of the total North Sea fleet is less than one third.

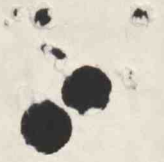
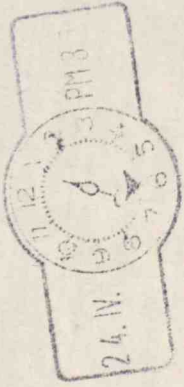
We experience that only UK and EEC shipowners are receiving tender invitations. We also experience that you do not accept vessels changing to UK register after the first of January 1986 as genuine British, and that you assess the British share of ownership. This is hardly in compliance with full and fair opportunity principles.

We are watching the total situation very closely. The UK holds a position as main foreign supplier of goods and services to the Norwegian continental shelf. The supply vessel business is one branch where Norway is competitive, while the UK plays a dominant role in almost any other kinds of deliveries to the Norwegian sector when it comes to foreign suppliers. In view of this the impact of the UK discriminating policy is highly unsatisfactory.

Altogether, the situation is unacceptable to us. We therefore ask you to retract your instruction on Norwegian vessels and to remove the other discriminating elements mentioned above to establish real full and fair opportunity. This will enable the market to function on real business terms without Government intervention, according to your own policy.

Yours sincerely,

  
Arne Øien



PART ~~ends to~~ 1 ends:-

CDP TO FCO 24.2.87

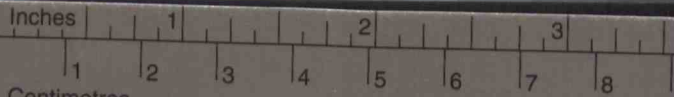
PART 2 begins:-

ENG TO CDP 23.4.87

# Grey Scale #13



**A** 1 2 3 4 5 6 **M** 8 9 10 11 12 13 14 15 **B** 17 18 19



## Colour Chart #13

Blue Cyan Green Yellow

