

More facts from Norway

Here is another update from Helle Hagenau of Norway's Nei til EU campaign. Our Chairman clearly remembers Edward Heath telling a reporter in 1972 that Norway's economy was in terrible trouble because of the referendum decision to stay out of the EU. He was speaking "from authority and the reporter accepted it. In those days there was no internet for instant rebuttal – only the newspapers and the BBC, which were all pro EU. Thankfully, now there are alternative media outlets – and this site seeks to be one – which can refute any nonsense told by our opponents.

No to EU in Norway is sending you another factsheet (attached).

This time it is about **whether Norway needs the EEA agreement in order to sell our products to the EU** and some of the quite outrageous statements from senior business and political leaders.

Please, feel free to distribute within your own network.

Here is a link to a web version. The full piece is set out below.

As a keen follower of the British debate I know you face some of the same scaremongering. Don't give up! The Norwegian people won in 1994 and you can do it on 23rd June!!

Keep up the good work!

Yours sincerely

Helle Hagenau

(Reminder: Helle will be one of the speakers at our annual rally on 14th May)

Do we need the EEA Agreement in order to sell our products to the EU?

The deafening message from the pro-EU side is that we must have the EEA Agreement to secure market access to the EU but we have heard this argument before.

Background

In the debate about alternatives to the EEA Agreement, claims are being put forward that Norway needs the agreement in order to sell its products to the EU. These claims are suspiciously similar to the warnings issued by the pro-EU side before the referendums on EU membership in 1972 and 1994. This scaremongering was proven wrong on both occasions.

Leading business figures, pro-EU politicians and the media, all with ready access to public platforms, continue to hammer away at the same message as in 1992: we must keep the EEA Agreement in order to have access to the EU market. The arguments put forward by the pro-EU side proved to be totally misleading in 1992 – and they are just as misleading today.

When Norway entered into the EEA Agreement in 1992, we had already had a free trade agreement with the EU for 19 years. This agreement meant that Norwegian industry, after a transitional period, did not have any tariffs on any of its exports to the EU.

The food industry was the one exception. There have been tariffs on agricultural products (because of Norwegian interests) and on processed fish products (because of EU

interests). For all other industrial products and for all raw materials, there has been complete duty free access to the EU and there have not been any quota restrictions on trade with the EU.

Still, the deafening message is that we need the EEA Agreement in order to secure market access to the EU but we have heard all this before.

An echo of 1972

During the spring of 1972, the first debate on the trade agreement was raging. At that time, the EEC had for many years been levying duties on many of our most important export commodities, such as aluminium and other metals, paper and fish. The anti-EU side's economists struggled to convince the public that the tariffs were much less of an obstacle to exports than the pro-EU side claimed.

At that time, help came from the outside. Unlike the United Kingdom, Ireland, Denmark and Norway, the EFTA states of Sweden, Finland and Austria had not applied for membership. Instead, during the winter of 1972, they had negotiated trade agreements with the EEC. These trade agreements removed what tariffs and other barriers to trade there were for trade in industrial goods between the EEC and these three EFTA states.

The People's Movement against the EEC claimed that Norway could also negotiate such a trade agreement if the referendum on EEC membership in September 1972 were to result in a 'no' majority. This was stubbornly denied by the pro-EEC side, which used two types of arguments:

- Firstly, there was no reason to believe that the EEC would go along with a trade agreement with Norway.
- Secondly, there was certainly no reason to believe that we would get a deal that was as favourable for our export industries as the agreements Sweden, Finland and Austria had achieved.

In one export-dependent company after the other, the CEOs sent personal letters to all the employees stating that their jobs were in danger if there was a 'no' majority in the referendum.

Six days before the referendum, under the headline: 'No petrochemical industry outside the European Community', the CEO of Hydro, Johan B Holte, stated in a daily newspaper: 'A trade agreement will be a hindrance'.¹

However, we now know the outcome. The majority of the electorate voted 'no' in the referendum on 25 September 1972. The Labour Party government resigned, and with astonishing speed, the new centrist government negotiated an agreement that was a carbon copy of the agreements that Sweden and Finland had signed.

Six months after the referendum, the atmosphere in Hydro had completely changed. In March 1973, a newspaper headline read: 'Telemark embarks on the oil adventure with Hydro's billion kroner plans at Rafnes.'²

The same Johan B Holte stated: 'A new Hydro adventure is under way in Grenland. We are considering investing up to a billion in petrochemical industry at Rafnes.' No journalist asked: 'But didn't you say six months ago that the trade agreement would make it impossible to develop a petrochemical industry in Norway?'

Scaremongering in 1994

Twenty-one years went by, and Hydro had a new CEO. On 26 September 1994 – two months before the second referendum – new CEO Erik Myklebust, stated: 'Thousands of jobs will be lost in Norway and new investments worth billions will be made elsewhere. That is the difference for Norsk Hydro between a Norwegian no or yes to the EU. The EEA Agreement will be worth zero.'

During the autumn of 1994, there was really no limit to how bad things would be. The interest rate would rise, the krone would fall, exports would fail, capital would disappear and unemployment would increase.

- Unrealistic

Erik Tønseth, the CEO of Kvaerner, set the tone: 'In practice, it is irrelevant whether Norway has an EEA Agreement or not. I simply think that the EEA has no basis in reality.' ³

- Worthless

President Svein Aaser of the Norwegian CBI (NH0) followed up, 'The EEA Agreement will be worthless if the rest of the Nordic countries join the EU without Norway. There is reason to believe that the EEA Agreement would then cease to function.' ⁴

- Will crumble

Yngve Hågensen, leader of the Norwegian TUC, addressed a meeting of the Oslo Labour Party on 13

September 1995: 'The TUC boss leaves no doubt, however, that he believes the EEA Agreement will crumble with only Norway and Iceland as EEA countries outside the EU.' ⁵

- Not a single one

As usual, it was the prime minister who went furthest: 'Around the country there are many who have investment plans ready if there is a yes vote. But I have not heard of a single company that has new investment plans ready if there were to be a 'no' in November.' ⁶

- Something very wrong

Seven days before the referendum, then leader of the Labour Party Thorbjørn Jagland warned: 'Something very wrong can happen to Norway.' ⁷

Things did not really go that bad at all. In May 1995, a

financial daily newspaper documented over two pages 'How the pro-EU side's doomsday prophecies have been put to shame' – 'Everything has gone better for the Norwegian economy since Norway said no to the EU on 28 November last year. Interest rates have fallen, growth has increased, the budget deficit has evaporated and investments are rocketing sky high.'⁸

No one on the anti-EU side had promised that industry would grow strongly if there was a no vote.

The 'no' message was consistently that the EEA Agreement would secure jobs in industry just as well as a membership in the EU would – and that the free trade agreement we had with the EU from 1974 to 1994 would have secured jobs in industry just as well as a membership of the EEA.

It was the pro-EU side, spearheaded by the Norwegian CBI (NH0) with the government tagging along behind, that predicted a dramatic downturn for the Norwegian economy. But it did not occur after 1972. Nor did it occur in 1994. Should we believe the scaremongering more this time around?

Notes

- 1) Stavanger Aftenblad 19.9.1972.
- 2) Varden 20.03.73.
- 3) Dagens Næringsliv 24.5.1994.
- 4) Dagens Næringsliv 25.5.1994.
- 5) Aftenposten 14.9.1995.
- 6) Gro Harlem Brundtland during the Parliamentary debate on EU membership 30.09.94.
- 7) Dagbladet 21.11.1994.
- 8) Dagens Næringsliv 22.5.1995

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