

Translation of Norwegian draft of the Prime Minister's statement at the meeting of the petroleum companies on 11 December:

The Government has followed the development regarding wage and labor conditions in the petroleum industry on the Norwegian continental shelf in recent years with great concern and growing apprehension. We are concerned both with the wage increases which have been agreed upon and future wage prospects, as well as to the manner in which these agreements have come about.

The main objectives of the Government's economic policy are to maintain full employment and to recreate the growth momentum in our economy. In order to achieve this, it is imperative to improve undertry's competitiveness. This in turn requires that prices and costs are kept at a moderate level. The comprehensive wages and incomes settlement which is to take place in the spring will play a major role to achieve this. For the Government it is therefore essential to prevent a development of the wages in the petroleum sector which will create such great disparities and give rise to such optimistic expectations that demands for higher incomes far exceed the country's economic capabilities. Similarly, it is necessary that the structure of trade union also in the oil sector be regularized in such a way that the wages settlements may take place through a more normal process of negotiation.

The Government is afraid that what already has occurred will complicate the wages settlement in the spring. In this connection I will particularly emphasize how regrettable it is that wage-increases to a great extent has come about in connection with illegal actions and that the employers have felt obliged to give way

for
to such actions. Respect/agreements and contracts, for the labour-peace commitment during the duration of agreements and for the rules of the game between the parties, even during illegal conflicts, has been and still is a fundamental feature of the Norwegian industrial scene. If this respect is undermined, it could have the gravest consequences for the economy and for the Norwegian community as a whole.

The Government has noted with regret information it has received of flagrant breaches of the rules this autumn in conflicts on the fixed installations. The same is true about the conflicts on the mobile platforms, where it has been asserted that the rig-owners have been subjected to pressure both on the part of the unions and the operator companies. The Government has taken no standpoint on whether these assertions are true. But, to preclude pressure from the operator companies in any future conflicts, I want to make it quite clear that the Government expects the petroleum companies to observe the established Norwegian rules of the game in their operations on the Norwegian shelf. The consequences of not doing so could be extremely far-reaching, both in terms of the problems that might arise for Norwegian society and regarding the companies' possibilities of a future on the Norwegian continental shelf.

We are prepared for candour and cooperation with the operators and the parties in offshore industry. I should like to express my satisfaction in this respect that all the petroleum companies with independent operations on the Norwegian shelf have given evidence of the solidarity expected in Norwegian industrial relations by joining the Norwegian Employers Confederation (NAF).

The Government attaches very great importance to the rôle of the NAF in the future wage negotiations in the oil industry and counts on the companies giving the NAF the necessary authority and loyalty.

To underline the seriousness with which we view the situation, I would mention that the Government is now considering proposals for possibly statutory provisions which may help to ensure a more even balance between the parties in the petroleum sector. In this connection we shall review government concession rules, the tax regulations and the labour dispute rules, as well as considering other initiatives. It is the Government's assumption that it will be feasible to establish as near normal negotiating arrangements as possible in the oil industry too and that, through tie-in with the negotiations between the main organizations of labour and management, it will be possible to ensure a development of wage which does not undermine the competitiveness of Norwegian industry.

In these endeavours we shall maintain contact with the main organizations of labour and management, and we assume that you will be kept informed of developments through NAF.

It is part of the overall picture that the views I have explained here are, so far as we know, also shared by all responsible parties and major organizations in Norway.

It is essential to realize that we have very little time. The preparatory work on the incomes settlement next spring is just starting. In view of, among other factors, the expectations after what has occurred in the oil sector, the Government considers it imperative that the situation is stabilized and that tendencies towards an uncontrolled development of wages halted. It is therefore the Government's clear understanding that none of the companies

will make changes in their wage systems and that no wage increases will be granted for the time being. Moreover we expect the operators to give their full support to the contractor that resist pressures to increase wages.