
Masters and Servants:

Economists and Bureaucrats in

the Dispute over Norwegian

EEC Membership in 1972

E I N A R L I E

Abstract

In the dispute over Norwegian EEC membership in 1972, a large number of economists in academic life and public administration took part in organised opposition against future membership. Their efforts to prevent economic and financial integration with the Common Market are important for understanding the depth and strength of Norwegian Euroscepticism. This article shows how this scepticism was rooted in the economic profession's reasoning about economic planning and economic policy making. Special attention is given to the opposition from economists within the government apparatus itself, as this both diminished the authority of the government's pro-membership arguments and challenged norms regulating civil servants' conduct.

In late 1972, a few months after the Norwegian people had voted to reject membership of the European Economic Community (EEC), the secretary general of the Ministry of Finance, Eivind Erichsen, wrote an internal memo concerning Norway's options for international economic cooperation. The result of the September referendum was in reality quite stunning, he explained, because 'the establishment', including the government, business organisations and the labour movement, had overwhelmingly campaigned for a 'Yes' vote. Erichsen added that

when the majority of the Norwegian people nevertheless voted 'No', there were probably any number of reasons, but a primary factor seems to have been that many Norwegians were convinced that membership would undermine the nation's ability to determine its own destiny, govern itself, govern effectively, maintain the standard of living in the regional districts, and continue our own social and economic policies.¹

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¹ Erichsen to the Minister, 2 Nov. 1972, Eivind Erichsen's archive, The Ministry of Finance (hereafter EE), box 35.

Though Erichsen refrained from formally showing his colours during the contentious EEC debate, there is no doubt that his views chimed with those held by most Norwegian economists and by the Ministry of Finance's influential circle of economists, of which he himself was a member. And the predominant view among these economists was that EEC membership was not to Norway's advantage. As a professional community, economists played an active and important role in the EEC dispute, and the civil servants at the Ministry of Finance were actively engaged in the popular movement to reject EEC membership – which was thus also an effort to reject the government's policy.

This article has two closely related goals. The first is to explore in general why so many leading Norwegian economists within academic life and the civil service were so sceptical of the EEC and what the consequences of this scepticism were. The 1972 EEC referendum was a divisive episode in Norwegian political history, and it remains the natural starting point when analysing why Norway has remained outside the European Community and later the European Union. The outcome of the 1972 referendum has been interpreted as a popular revolt against the powers that be, as suggested in the secretary general's memo; alternatively, it has also been seen as part of an ongoing conflict between different business sectors and the centre and periphery of Norwegian politics, which has been a key theme in later research on the EEC referendum.

A largely overlooked element is in fact the resistance from economic experts. Their efforts to prevent economic and financial integration with the Common Market are important for understanding the outcome of the referendum itself: when Norwegians were convinced that membership would undermine their ability to govern themselves, to paraphrase Secretary General Erichsen, it is partly because economists had helped them make this realisation. Furthermore, their wholehearted engagement is key to understanding why Norwegian resistance to the EEC was also so fervent outside rural areas and the primary industries. Norwegian economists were not some sort of counterculture – on the contrary, they represented a self-assured, influential profession that was strongly embedded in the state and the governmental apparatus. But their views on European economic integration differed from those of colleagues in other countries, and this difference is important for understanding the persistent Norwegian resistance to EEC membership.

The economists' reasoning and activities will be studied with the main economic policy making institution, the Ministry of Finance, taking centre stage. This leads us to the second goal of this article, which is to examine more specifically how the EEC dispute played out among those civil servants who dealt most closely with economic policy. The role of the civil servant was imbued with a number of unwritten rules about being loyal to the cabinet and the minister. In the EEC dispute, however, the role of the civil servant was stretched to the very limits of what was deemed permissible – and even, many would claim, a fair distance beyond those limits. Many economic advisors saw themselves more as masters than servants to the politicians when the economic consequences of EEC membership 1972 came to be analysed. The dispute thus highlighted several contradictory aspects of the role of the civil servant itself.

The EEC debate and the popular referendum

The question of Norwegian membership had also been debated during the potential expansion of the EEC in 1962 to 1963. But with Charles de Gaulle's refusal of British membership, the issue also faded away from the Norwegian agenda before the public debate could enter a final, decisive phase. A new discussion ensued in 1967; this was more subdued than the preceding round, since it was expected that membership for the United Kingdom would once again be rejected. In contrast, the 1972 membership debate, which culminated in a referendum held on 25 September that year, became a divisive watershed moment in Norwegian politics.²

In 1972, as in earlier rounds, the governing Labour Party, at the time by far the largest political party in Norway, was in favour of membership, as was Norway's second largest party, the Conservatives. The Conservatives had been part of a coalition government between 1965 and 1971 along with three smaller centrist and liberal parties, a coalition that in fact collapsed because of the membership issue: the agrarian Centre Party unanimously opposed membership; the Liberals were divided, although the party leadership supported membership, while the Christian Democrats were evenly split on the issue. Flanking the Labour Party in a traditional left-right axis, the Socialist Left Party was without representation in the Storting (the Norwegian parliament) but firmly against the EEC.

The bitterly contested debate played out not only in and between the political parties but also in civil society, as supporters and opponents organised themselves in movements for and against EEC membership. Most notably, the People's Movement Against the EEC (*Folkebevegelsen mot EF*) became a powerful, effective organisation that counteracted the predominantly pro-EEC campaigning from the largest political parties, the Norwegian Confederation of Trade Unions (*Landsorganisasjonen*, hereafter: LO), the Norwegian Employers' Confederation (*Norsk Arbeidsgiverforening*, hereafter: NAF) and several other trade organisations. The People's Movement also had offshoots in the central institutions of the labour movement. For example, the Labour Movement's Information Committee Against the EEC (*Arbeiderbevegelsens informasjonskomité mot EF*, hereafter: AIK) was founded by Labour Party and trade union members who disagreed with the resolutions adopted by the Labour Party and LO on this issue.³ Such activities violated the labour movement's norm of complying with resolutions from superior bodies, and the labour movement's internal strife was one of the reasons why the 1972 EEC dispute became so hard-fought and rancorous,

² Knut Einar Eriksen and Helge Pharo, *Kald krig og internasjonalisering 1949–1965* (Oslo: Universitetsforlaget, 1997); Henry Valen, 'National Conflict Structure and Foreign Politics: The Impact of the EEC Issue on Perceived Cleavages in Norwegian Politics', *European Journal of Political Research*, 4, 1 (1976), 47–82. Nils Petter Gleditsch and Otter Hellevik, *Kampen om EF* (Oslo: Universitetsforlaget, 1977); Martens Hans, 'Danmarks ja, Norges nej. EF-folketemningerne i 1972'. *Dansk Udenrikspolitisk Instituts skrifter*, 6 (Copenhagen: Munksgaard, 1979).

³ Gleditsch and Hellevik, *Kampen*.

with long-lasting ramifications for the level of trust and cooperation in political and other organisations.⁴

Even though the result of the 1972 referendum tallied with previous opinion polls, it nevertheless came as a surprise to leading politicians.⁵ In the wake of the referendum, politicians and commentators highlighted a number of reasons for the opposition movement's victory, for example its effectiveness in marshalling resistance to the EEC and mobilising heavily in the days leading up to the referendum. Moreover, the interests opposing membership – the primary industries and certain trade unions – had successfully invoked national sentiments concerning Norwegian self-determination and autonomy, thereby compelling people whose vested interests were not necessarily at stake to vote 'No'. This had also revitalized longstanding divides between the political centre and its peripheries.

Political scientists have highlighted and expanded this specific latter element in subsequent research. The caustic EEC dispute had accentuated underlying divides in Norwegian politics, as clearly identified in voter surveys. These divides existed in particular between urban and rural areas and between the centre and the periphery, and this would also impact the political climate throughout the 1970s.⁶ Later historical research has also pointed out how the opposition movement had managed to fuse the new countercultures of the late 1960s together: the youth revolt, women's liberation, the environmentalist movement and more heterogeneous groups that were critical of bureaucratisation and the centralisation of political and economic power. The fight against the EEC reinvigorated these movements, even as the opposition itself was bolstered by the historical coincidence of the new countercultures.⁷ The economists' opposition was commented on both before and immediately after the referendum but since then it has received little attention. However, their role is in my opinion vital for understanding the depth and character of EEC scepticism in Norway.

Economists as experts and bureaucrats

Though 'economists' is, of course, a broad and by no means monolithic category, in 1960s and 1970s Norway it was more homogeneous than in most other European countries. Economists with expertise on macroeconomic planning and policy making were educated in one single institution, with relatively distinct characteristics. In the 1930s, professor of economics Ragnar Frisch had spearheaded a transformation of the existing two-year education in economics into a five-year vocational programme.

⁴ Ibid.

⁵ Allen Hilary 1979, *Norway and Europe in the 1970s* (Oslo: Universitetsforlaget, 1979), 'Introduction'.

⁶ Henry Valen, 'National Conflict Structures'; Per Arnt Pettersen, Anders Todal Jensen and Ola Listhaug 'The 1994 EU Referendum in Norway: Continuity and Change', *Scandinavian Political Studies*, 19, 3 (1996); Helge Ø Pharo 'Ingen vei utenom? Norge i integrasjonsprosessene i Europa, 1946–1994', in Dag Harald Claes and Bent Sofus Tranøy, eds., *Utenfor, annerledes og suveren* (Bergen: Fagbokforlaget, 1999); Marianne Skinner, 'Norwegian Euroscepticism: Values Identity, Interests', *Journal of Common Market Studies*, 50, 3 (2012). Both Pharo and Skinner highlight the inadequacies of this explanation.

⁷ Edgeir Benum, *Overflod og fremtidsfrykt* (Oslo: Aschehoug, 1998).

Both the programme and its students were influenced by the ideas of economic interventionism that existed in many countries from the late 1930s and into the post-war era, although belief in regulations and intervention was probably stronger in Norway than in many other countries.⁸ The new profession was perhaps the most salient example of how science played a robust and explicit role in shaping post-war policy. Moreover, economic planning and governance were important catchwords for the Labour Party, which governed with a majority of seats in the Storting from 1945 to 1961, and thereafter as a minority cabinet until 1965. The party's rhetoric and plans both marked a clear break from the policies of the 1920s and 1930s, and there is little doubt that the era's leading politicians and economists united around a shared viewpoint that intervention was far better suited than the free market to promoting an economy that would deliver stronger growth, ensure better distribution of income and not least avoid profound crises.

Large cohorts of economists received their education just before, during and, in particular, after the Second World War. Though they found employment in various sectors, they were fairly strongly concentrated in public administration, where they quickly rose to prominent positions. A popular saying, which gradually came into internal parlance, was that three institutions – the Department of Economics at the University of Oslo, Statistics Norway and the Ministry of Finance – constituted an 'Iron Triangle' of economists. The former produced economists, conducted research and ensured the scientific validity of the economists' expertise and authority. Statistics Norway provided facts and figures and was also instrumental in developing the complex models that were gradually employed in both short- and long-term policy-making and economic planning. Finally, the Ministry of Finance created plans and laid down guiding principles – it was there that science and facts became real-life policy.

The Ministry of Finance had traditionally been a powerful force in the central bureaucracy through the 'power of the purse', through its work on preparing the government budget, controlling other parts of the bureaucracy, approving appointments, and so forth. Throughout the post-war era, key functions in economic planning and policy making were incorporated into the ministry. Nor did Norway have an overarching Cabinet Office, as was, for example, found in the United Kingdom. As a result of all this, the Ministry of Finance acted as a very influential coordinating body at the very core of the civil service and wielded a corresponding amount of influence.⁹

An Economic Policy Department was established in 1952 to prepare and implement the government's economic policies, while a Planning Department was established in 1962 to carry out general long-term planning. These two departments were dominated by economists from the University of Oslo. Furthermore, the first head of the Economic Policy Department was appointed secretary general of the

⁸ Trond Bergh and Tore Jørgen Hanisch, *Vitenskap og politikk. Linjer i norsk sosialøkonomi gjennom 150 år* (Oslo: Aschehoug, 1984).

⁹ Einar Lie and Christian Vennesslan, *Over evne* (Oslo: Pax, 2010), ch. 1.

Ministry of Finance in 1957, and economists would go on to assume leadership positions in other of the ministry's departments.

The economists of the civil service were referred to as 'the powerful servants' by one scholar, partly because they played such key roles, and partly because they represented a powerful area of expertise that wielded great authority among politicians and the general public.¹⁰ In the early 1970s these economists were probably also at the zenith of their influence and standing. The belief in economic planning remained strong: twenty-five years of growth without major setbacks was directly and indirectly attributed to economics-based policies. Moreover, Ragnar Frisch had been awarded the first Nobel Memorial Prize in Economic Sciences in 1969, thereby confirming the discipline's international position.

The economists at the Ministry of Finance thus belonged to two different institutionalised environments: their professional community and the civil service, each with its own norms and expectations. It was a different matter at the Ministry of Foreign Affairs, whose civil servants will play only a minor role in the present exposition, even though they were instrumental in preparing the government's EEC documents and were also prominent in the ensuing public debate in 1972. In the present context, the key department at the Ministry of Foreign Affairs was its Economic Department, which dealt, amongst other things, with trade agreements and international pacts and which for a long time had operated without economic expertise. However, educational background was less significant as a status symbol at the Ministry of Foreign Affairs than at the Ministry of Finance, as the former ministry recruited its civil servants through its own trainee programme, which included training in various disciplines, such as diplomacy, modern history, economics and international law, followed by practical training that spanned several years and that included stationing abroad.¹¹ The programme forged a strong, independent *esprit de corps*, where institutional belonging became stronger over time than any affiliation to external disciplines or organisations.

The civil servants' stances in the EEC dispute

The Ministry of Finance and the Ministry of Foreign Affairs were at odds over their fundamentally differing outlooks on Norwegian membership, a dispute that had its roots in the previous EEC debate in 1962 and 1963. During that round, the Ministry of Finance's civil servants became extremely annoyed when the Ministry of Foreign Affairs' civil servants described the Common Market in such glowing terms. Whereas the Economic Policy Department and the secretary general of the Ministry of Finance both felt that the Common Market construction hindered the optimal solution for international economic cooperation, namely the largest possible

¹⁰ Trond Bergh, 'Norway: The Powerful Servants', *History of Political Economy*, 13, 3 (1981), 471–512.

¹¹ Neumann Iver and Hallvard Leira, *Aktiv og adventende. Utenriktjenestens liv 1905–2005* (Oslo: Pax, 2005), 243ff.; Haakon Ikonomou, 2013, 'Caught in the Middle. "Europeans" in the Norwegian Administration and the EC-case 1962–1972'. One quarter of a Thesis. Florence: European University Institute.

free-trade area, the Ministry of Foreign Affairs instead hailed the Common Market as the best solution for Norway in regard not only to national security and foreign policy but also to economy and trade – thus drawing the ire of their colleagues at the Ministry of Finance.¹²

The economists' position was that EEC membership was not to Norway's advantage, and that the government's arguments for membership did not hold water from a professional standpoint. Secretary General Erichsen's primary wish, his 'third way', remained the same in 1972 as it had been during the previous membership debate in the early 1960s: the best alternative for both Norway and most other countries would be to found an Atlantic free-trade area, a 'Greater EFTA', so that the international exchange of goods could run as smoothly as possible. But any form of economic supranationality, in which European agencies would affect or restrict the economic instruments used by Norwegian authorities, was met with an entirely unfavourable view by Erichsen and his brethren at the Ministry of Finance. This scepticism dates back to the early fifties and was an integral part of Norwegian economists' approach to international cooperation.¹³

In the cabinet, the task of evaluating the economic effects of membership was allocated to Minister of Trade Per Kleppe, not the Ministry of Finance.¹⁴ This solution was at least partly the result of anti EEC sentiments in the Ministry of Finance.¹⁵ This point was underscored when Kleppe wanted to borrow certain prominent civil servants from the Ministry of Finance to carry out analytical work. The minister of Finance made inquiries among his staff but received a lukewarm response, and, for the sake of domestic peace, he refrained from ordering any of them to undertake work for Kleppe. After several rounds, however, he did manage to persuade the Economic Policy Department's newly appointed director general, Arne Øien, to personally assist Kleppe in his analyses.¹⁶ Øien was ultimately the only civil servant from the Ministry of Finance who was directly involved in shaping the core documents of the EEC case in the lead-up to the referendum.

What a number of the ministry's employees did do, however, was actively participate on behalf of the anti-EEC movement, with the Economic Policy Department's economic advisers and not least the Planning Department becoming heavily involved in the organised anti-EEC movement. One of the ministry's principal officers was at the heart of this effort, working as a project leader in the AIK (the Labour Movement's Information Committee Against the EEC) in charge of producing public information materials related to economic issues. In May 1972 the

¹²Einar Lie, *Ambisjon og tradisjon*, (Oslo: Universitetsforlaget, 1995), 436ff., referring to memos by then director Egil Bakke and secretary general Eivind Erichsen, respectively.

¹³Helge Pharo, 'The Norwegian Labour Party', in Richard T. Griffiths ed., *Socialist Parties and the Question of Europe* (Leiden: Brill, 1993), 201–220.

¹⁴Memo from the minister of trade to the cabinet, 7 Feb. 1972, EE 35.

¹⁵Per Kleppe, *Kleppepakke* (Oslo: Tiden, 2003), 216.

¹⁶Ragnar Christiansen, *Fra Storting og styringverk* (Oslo: Forlaget Aktuell, 2006), 352.

person in question delivered twenty-eight so-called ‘fact memos’ to the AIK, of which almost half were written in the Planning Department.¹⁷

Only a single avowed supporter of EEC membership was to be found at the Ministry of Finance’s two economist-heavy departments. Though we cannot say for certain whether there were any closet supporters, there are not many potential candidates to choose from. For example, of the nineteen economists below the level of principal officer (*byråsjef*) in these two departments, no fewer than sixteen signed a petition against the government’s pro-EEC arguments in the final stage of the debate (the details of which we shall return to below).

These issues were handled differently at the Ministry of Foreign Affairs, which strongly favoured membership. Both leading and more obscure civil servants from the ministry made clearly articulated public statements viewpoints in the debate. ‘Not being a member is not only wrong but stupid’ was the feather-ruffling punch line to one of many lectures delivered by Ambassador Søren Sommerfelt, who had led the Norwegian delegation of negotiators in Brussels and who was the Ministry of Foreign Affairs’ most high-ranking civil servant in the EEC debate.¹⁸

A peculiar feature of this debate, as seen from the central bureaucracy, was this very tendency for civil servants to become so actively involved. The 1973 book *De utro tjenerne* (*The Unfaithful Servants*) focuses in particular on the involvement of the Ministry of Foreign Affairs’ civil servants. The authors highlighted how civil servants from this ministry, but also from the Ministry of Trade and the Ministry of Industry, wrote op-ed pieces, participated in television debates and were actively used in the government’s ‘information activities’, which were in reality aimed at membership.¹⁹ The public post-referendum debate on the role of the civil servant followed the same line of thinking: it was the civil servants who had actively supported the government who were criticised, not those who had actively opposed the government. The ensuing debate can, in that light, be seen as a settling of accounts on the victors’ terms.²⁰

The arguments behind the economists’ anti-EEC engagement

What actually motivated the economists to actively oppose EEC membership? The decisive factor was the threat to Norway’s power to shape its own economic policy. Certain instruments would entirely or partially be yielded to European bodies, while

¹⁷Erlend Bjørtvedt, ‘Visjon og kollisjon.’ Master thesis in History, University of Oslo, 1997, 143.

¹⁸From Erichsen’s collection of newspaper clippings, which have been cut out in such a way that the date and the name of the newspaper are lacking.

¹⁹Nils Petter Gleditsch, Øyvind Østerud and Jon Elster, *De utro tjenerne* (Oslo: Pax Forlag, 1973).

²⁰Haakon Ikonomou, ‘Et trosfelleskap: Noen releksjoner om et par europeere’, available at www.historieblogg.no, published 9 Apr. 2013, <http://www.historieblogg.no?p=951>, last visited 23 Jan. 2015.

other instruments, such as particular tariff rates and regulations that delimited a national credit and capital market, would probably have to be relinquished entirely.²¹

Of significance here were the official reports written by civil servants after their visits to the various policy-making bodies of the Common Market, reports that without exception were sceptical of the ability of these bodies to carry out what the Norwegian economists regarded as sound economic policy. Transferring formal authority to such bodies was hence not a tempting prospect. When Per Schreiner, the young director general of the Planning Department, visited the Council of Ministers' committees for coordination of economic policy making in Brussels in summer 1972, his memo to the Ministry of Foreign Affairs concluded that the formal aspects of the committees were in a muddled state.²² Moreover, one of the three directors was 'an out-and-out monetarist' who 'seemed to lack perspective and insight'; the second director was no better, as he seemed 'fairly dogmatic and not very insightful'. The third director merited no comment except that cases under his jurisdiction 'became a matter of prestige and were not treated insightfully'.²³ Perhaps the conditions were in fact that disheartening, but we find no such reports or observations from the Ministry of Foreign Affairs. It would, of course, be fascinating to know how the Brussels directors regarded the perspectives and insights of their Norwegian colleague. Unfortunately, we do not have any sources telling us about their reactions or opinions.

The Government economists' anti-EEC stance can in this light be interpreted as serving to protect their interests, as they were sceptical of a political affiliation that would curb their own influence. However, the internal criticism at the Ministry of Finance was largely in line with Norwegian academic economists' criticism of the Common Market and with more fundamental attitudes to economic theory and policy making.

In a wider perspective, there were of course many among the several hundred economists educated from the University who favoured membership. A number of high-profile people educated as economists were also members of the 'establishment' described by secretary general Erichsen's in the quotation mentioned in the introduction, holding leading positions in political parties and business organisations. But they appeared in public debate more as representatives of their respective institutional viewpoints than as academic or intellectual experts on the policy questions at stake in the EEC dispute. Within the institutions that enjoyed the highest status for expertise on planning and policy making, both in the eyes of their fellow

²¹ 'Merknader til utkastet til stortingsmeldingen om EF', Eivind Erichsen's memo, 16–17 May 1971, EF file 1, EE 35.

²² Schreiner's memo referred to the committees as 'The Economic Policy committee' in singular. But he must refer to the existing Short-term Economic Policy Committee, the Budgetary Policy Committee, and the Medium-term Economic Policy Committee, which were all merged into The Economic Policy Committee by a Council decision in 1974. See *Official Journal of the European Communities*, 63, (5 Mar. 1972), 21–2.

²³ Per Schreiner's letter, 26 Jul. 1972 to the Ministry of Foreign Affairs, PA 387/1972, FIN.

professionals and amongst the Norwegian public, the scepticism towards membership was loud and clear.

The other two corners of the so-called Iron Triangle (that is, the Department of Economics at the University of Oslo and the economists at Statistics Norway) were also entirely dominated by economists on the anti-EEC side.²⁴ In a broad sense, this can be linked to the fairly strong belief in economic regulation that typified Norwegian economists after World War II. For the opposition to the EEC in particular, Per Kleppe emphasises in his memoirs the personal influence of Professor Ragnar Frisch.²⁵ During the debates of the 1960s, Frisch vigorously attacked the ‘unenlightened plutocracy’ he believed the Treaty of Rome facilitated.²⁶ Other economists, such as Frisch’s colleague Leif Johansen (a leading figure among the younger economists), followed up with similar arguments. It is worth noting, however, that the economists from these two corners of the Iron Triangle were also more sceptical of free trade in general. Their scepticism towards the Common Market was not least due to the fact that membership would make it harder to regulate trade with foreign nations. This is particularly evident in the arguments put forth during the EEC debate by Leif Johansen, who contended that the authorities of a small, open economy such as Norway’s must be allowed to use an optimal mix of economic instruments to regulate foreign trade. Johansen would return to this viewpoint in the late 1970s, when he argued that a national system for regulating foreign trade should be implemented if the international community in general did not move away from free trade.²⁷

At no point in time during the post-war era is this scepticism of the free, international exchange of goods to be found at the Ministry of Finance. In regard to the necessity of maintaining a wide-ranging array of instruments for use in the domestic economy, however, their line of reasoning differed little, if at all, from the economists at the two other institutions. Hence, memos from the Ministry of Finance’s economists focused on how membership would either eradicate certain economic instruments or lead to Norway losing control of the most important such instruments. It was pointed out, both implicitly and explicitly, that this would make it difficult to achieve the targets for economic growth, stabilisation, and distribution.

In the People’s Movement Against the EEC’s ‘counter-report’ to the government’s official report to the Storting, the same arguments are to be found – indeed, several of the Ministry of Finance’s economists had provided suggestions and drafts for this report. The People’s Movement had set up various task forces and charged them with writing individual chapters, which in tandem formed a counter-report with

²⁴ A large number signed the petition against membership. According to Svein Longva, a lifelong economist in Statistics Norway (Director General 1991–2004), there was one known supporter of membership in Statistics Norway’s Research Department and one at the Department of Economics. Conversation with author, Apr. 2008.

²⁵ Kleppe, *Kleppepakke*, 203, 216; conversation with Kleppe, 6 Apr. 2009.

²⁶ See, for example, Ragnar Frisch in *Dagbladet*, 9 Nov. 1961. Frisch used this phrase (*Det uopplyste pengeveldet*) in the titles and leads of several journal and newspaper articles in 1961.

²⁷ Leif Johansen in *Sosialøkonomen* 9–10/1979: 6–10.

the exact same structure and chapter division as the government's official report. For example, the chapter entitled 'General Economy' was edited by six economists who had all taken their degrees at the University of Oslo.²⁸

For a publication issued by a popular movement, however, the counter-report on the effects of EEC membership was not exactly popular literature. The counter-report began with several theoretical reflections on economy and governance. The economy's 'decision-making unit', whether it was the nation-state or an organisation of states, was in principle faced with similar challenges when it came to surveying the available resources, balancing the interests of various groups within a common preference structure, carrying out a process of optimisation and then identifying and implementing the correct set of instruments. According to the authors of the report, however, larger decision-making units – for example when the 'unit' expanded from Norway to Europe – made each step in the process more complicated to implement. Furthermore, the Common Market favoured the use of fewer instruments, something that limited the opportunity to implement the optimal solution. The challenges were somewhat different within stabilisation policy, but the effects of EEC membership led in the same direction. A main point in the key subchapter 'Loss of National Economic-Political Instruments and the EEC's Policies' was that the expanded market would be harder to govern and control, and by entering the large Common Market the Norwegian authorities would have *fewer* instruments at their disposal, even though more such instruments were needed to maintain governance.²⁹

The way in which the authors assessed the problems was in line with the fairly strong belief in economic instruments that prevailed among Norwegian economists in the 1960s and 1970s. This belief had come to the fore in an overly sharp exchange of letters in 1963 between Professor Ragnar Frisch and the Minister of Finance Petter Jakob Bjerve (Labour), the longstanding director of Statistics Norway and also a former student of Frisch's. Bjerve had come across a compendium of lecture notes written by Frisch, which explained that politicians could never achieve the optimal economic solutions if they limited themselves to using the instruments found in free-market economies. This was incorrect, Bjerve wrote in a letter to Frisch: the limiting factor in politics was not that the instruments were too few or inadequate, but that political or administrative reasons might thwart the implementation of what were deemed to be the optimal policies. According to Bjerve, it was 'disappointing' that the author could write such an assessment without making students aware that it was 'based on personal opinion, not science'.

'Your comment is a fundamental misunderstanding', Frisch wrote back, before briefly explaining that mathematics and politics were one and the same in this

²⁸The six were Professor Leif Johansen, Senior Lecturer Fritz Holte, Professor (and Rector at NTH) Gunnar Bøe, Professor H. J. A. Kreyberg, Lecturer Gunnar Bramnes and Research Assistant Ole Jørgen Mørkved.

²⁹Folkebevegelsen mot norsk medlemskap i fellesmarkedet, *Folkebevegelsens melding om Norges forhold til De Europæiske Fellelskap (EF)* (Oslo, Folkebevegelsen, 1972), ch. 4, 31–47.

context. If Bjerve and other Western politicians 'want to use a narrow range of instruments, they must suffer the consequences'. And the consequences were that economic growth rates would be lower than if a broader range of instruments was available.³⁰

A less irregular and far more important example of the favourable view of political instruments is provided by Leif Johansen's textbook *Offentlig økonomikk* (Public Economics) from 1962, undoubtedly one of the most influential textbooks in recent Norwegian history. For every Norwegian economist from the 1960s until the early 1990s, the opening chapters of this book were required reading. Johansen began by presenting the overall goals of economic policy, such as ensuring full employment, high economic growth, private consumption, public benefits and so forth, before analysing the relationship between goals and means in economic policy by setting up and solving equation systems in a general form. The conclusion of Johansen's review was that the state could not set up more goals than it had instruments or, phrased differently, that the state had to have at least as many instruments at its disposal as it had goals. Johansen then clarified this point by using specific models to discuss political possibilities and limitations.³¹

Johansen's textbook contains virtually nothing about markets or how they can be made to function better or worse; the only germane 'decision-making body', to use the terminology from the anti-EEC movement's counter-report, is the policy-making state. The main political message conveyed in Johansen's textbook is, put simply, that there is a general consensus on certain goals, such as employment, growth, public welfare and so forth, and that achieving these goals depends on the planners having access to all the necessary instruments, in addition to understanding the workings of the economy. This follows the same principles as the counter-report's analysis. And that is perhaps not all that surprising, given that Leif Johansen was a prominent member of the task force that had edited this chapter in the counter-report.

It should of course be noted that no economist at the Ministry of Finance or any other ministry ever carried out economic policy in the manner delineated above: the practice of setting up explicit goal hierarchies and mathematical functions for 'societal preferences' never made the jump from textbooks over to real-world policy-making.³² That these economists were cognizant of all the problems posed by a world full of politicians and non-economists does not mean, however, that their book learning played no part in how they thought of goals and means. On the contrary, for economists working on real-world problems, Leif Johansen's processes of planning and policy-making probably represented an idealised vision, which, even though it was not followed in actual practice, served as a measure for how to transform economic-political systems.

³⁰'Prinsipiell diskusjon om makroøkonomiske virkemidler', memorandum from the Department of Economics at the University of Oslo, 7 Dec. 1962.

³¹Leif Johansen, *Offentlig økonomikk* (Oslo: Universitetsforlaget, 1962).

³²Bergh and Hanisch, *Vitenskap*, 240.

Norwegian credit policy and the plans for a monetary union

The viewpoints of the Norwegian economists were largely incompatible with those prevailing in the EEC at the beginning of the 1970s. Early in 1971 the EEC's Council of Ministers adopted the so-called Werner Plan, which called for a future 'monetary union', as it was referred to at the time. This plan proposed a stronger economic and financial integration than would otherwise be suggested by the principle of the free movement of capital. For example, the various currencies of the EEC member states were to have fixed exchange rates among themselves, and the EEC member states were obliged to follow a common monetary policy in regard to non-member countries. A raft of political measures that hindered competition (in actual practice these were often 'instruments') were to be abolished, so that all commercial activity could unfold within the entire Common Market.³³

The conflux of various factors, the most crucial of which was the collapse of the Bretton Woods system, meant that the main preconditions for implementing the currency policy and other elements of the Werner Plan could not be realised.³⁴ The 1970s did not witness a tighter coordination of the European countries' economic policy compared with the 1960s – quite the contrary. But even though the Werner Plan was abandoned, many of its intentions lived on, and the Norwegian studies carried out before the referendum generally factored in the EEC's desire for a long-term monetary integration when evaluating the consequences of membership.

In the early studies, when it came to monetary policy, the key person was Hermod Skånland, the director general of the Economic Policy Department until 1971 and then the deputy governor and subsequently governor (1986–94) of The Central Bank of Norway.³⁵ Early in 1971 the government's delegation of negotiators in Brussels asked him to chair a three-man panel that was to study how the plans for an economic and monetary union would affect Norwegian economic policy.³⁶ In the late autumn of 1971 he was appointed to head a commission that was to study the same questions, for which the final report was intended to be either incorporated in or appended to the government's official report to the Storting on the membership issue. In addition to Skånland, the commission comprised two principal officers (one from the Ministry of Trade and one from Central Bank of Norway), a state secretary from the prime minister's office and an academic economist who openly sympathised with the anti-EEC movement.

³³Bo Stråth and Peter Burgess, 'Money and Political Economy: From the Werner Plan to the Delors Report and Beyond', in Lars Magnusson and Bo Stråth, *In Search of a Political Economy for Europe* (Brussels: Peter Lang, 2001).

³⁴Amy Verdun, *European Responses to Globalization and Financial Market Integration: Perceptions of Economic and Monetary Union in Britain, France and Germany* (Houndmills: Macmillan, 2000), ch. 3, ch. 4.

³⁵See, for example, 'Virkemidlene i den økonomiske politikk ved norsk EF-medlemskap', Hermod Skånland's memo, 24 Sept. 1972, EF file 1, EE/35.

³⁶'Den økonomiske og monetære union. Konsekvensene for norsk økonomisk politikk', memo from Hermod Skånland, Principal Officer Arnfinn Moland (the Ministry of Trade), and Principal Officer Bj. Hansen; EF file 1, EE/35.

The three-man panel and the five-man commission arrived at remarkably similar conclusions. The two studies are also interesting both for what they say and what they do not say. Both the panel and the commission contended that EEC membership would entail substantial reorganisations of Norwegian fiscal policy, not least credit and monetary policies. Norwegian credit and interest rate policies were more broadly and consistently regulated than in most European countries. The goal was to channel cheap credit to certain prioritised sectors and regions, including housing and so forth, but the EEC's rules and regulations would mean that several key provisions in the regulatory system would have to be discontinued.³⁷ At the same time, the credit policy would also more generally lose its role in stabilising the economy, in that regulation of the general level of credit would presumably not play a role in future European regulation of economic activity. Another outcome would be that general interest rates could no longer be maintained at the exceptionally low Norwegian level but would in the long run be adjusted to the higher levels common in Europe. This meant, the commission concluded, that the Norwegian system of channelling large volumes of inexpensive loans to certain long-term industrial investments and housing through a number of State Banks would by and large have to be abandoned. These instruments were all at the core of the Norwegian system for economic management.

As mentioned above, the commission's study was originally intended as an appendix to the government's report to the Storting, but the government chose not to do so when it saw the final result. Nor was the study officially made public in any manner, although it did in fact circulate rather freely thanks to the fraternity of economists who had either participated in the study or received copies of it – and when the People's Movement published its counter-report, the commission's study was in fact included as an appendix there!

The anti-EEC movement's interpretation of these events is of course that the commission had exposed how Norway's economic instruments would be decimated by EEC membership, and that the government did not want this publicised. Indeed, all evidence suggests that this is indeed an accurate interpretation of the events.³⁸ Given the economic theories that dominated in Norway in the early 1970s, it also seems reasonable to claim that the commission's analyses and conclusions were professionally sound rather than that they were influenced by 'politics' and 'personal opinions'. But that does not mean that they were 'neutral' or would be regarded as unbiased in the eyes of economists from other schools and traditions.

Seen from a European vantage point, for example from free market-oriented economists and politicians, it could be argued that Skånland's five-man commission did not contend with the Werner Plan's actual arguments for the four freedoms, that is, that the large Common Market would help industry and commerce become

³⁷ Lie and Venneslan, *Over evne*, ch. 4.

³⁸ Per Kleppe explains that he himself had nothing against publication, but that people at the Ministry of Foreign Affairs as well as other cabinet members were clearly opposed to such publication. Conversation with Kleppe, 6 Apr. 2009.

more robust and effective. In the Werner Plan, the abolition of nation-specific rules, measures and schemes was, of course, a prerequisite for getting the European market to function in a vigorous and flexible manner. It was the market, rather than economic policies and instruments, which created wealth and prosperity.

Indeed, the study by Skånland's commission did not address and discuss pro-market arguments as part of the impact study of Norwegian membership; rather, the study focused on the sizeable loss of economic instruments. And although several memos from the commission referred to European views on the blessings of the free market, these views were never analysed in professional terms.

An example is the extensive fact-finding mission that Skånland's five-man commission undertook to The Hague, Bonn, Paris and Brussels, where meetings were held with the EEC Commission and prominent representatives of the member states. On several occasions, the members of Skånland's commission addressed issues of economic governance from a Norwegian vantage point, concerning for instance how to ensure healthy commercial policies, shore up regions disadvantaged by the Common Market and equalise wages. The answers were consistently that the free market would lessen the problems, that costs would be equalised in the various areas and so forth.³⁹

Such assessments were far removed from the Norwegian economists' fundamental outlook – so far removed, in fact, that they could not be integrated into the Norwegian instrument-oriented discussions of what would be gained and lost through EEC membership. A far more important point in this context, however, is that both the government's report to the Storting and the 'official' statements concerning the economic effects of EEC membership were also devoid of clearly articulated free-market arguments. To be sure, market access and free trade were defended, but such elements were far less controversial and could be achieved by means of a free-trade agreement through the European Free Trade Association (EFTA). In contrast, the free movement of labour and capital took a back seat in official rhetoric.⁴⁰

In its arguments the anti-EEC movement invoked the fear not only that large international conglomerates might dominate the Norwegian economy but also that Norwegian companies would invest in other European countries rather than in Norway. Conversely, the impression from reading the report to the Storting and other important government documents is that the government tried throughout to downplay rather than highlight the impression that labour and capital would move more freely across Norway's borders and between Norwegian regions. The line of reasoning here was kept within the frames of the existing Norwegian regulatory system for credit and capital. The government's advocates may have believed from a pragmatic assessment that 'free movement' arguments were more apt to frighten

³⁹ 'Det økonomiske og monetære samarbeid i de europeiske fellesskap. Rapport fra reise til Brussel, Paris, Bonn og Haag', memo by Leif Eide, 20 Oct. 1971. Eide accompanied the commission as a secretary on this trip. EF file 2, EE 35.

⁴⁰ Per Kleppe presumed there would be increased economic growth but no new access to labour.

than attract voters. But it is more likely that they thought about policy making in much the same way as the anti-EEC movement's economists. One distinctiveness of economics as a science is its performative character; over time it moulds our general concepts and ways of thinking about economic mechanisms. Public and political life cannot remain unaffected by the dominant way of talking and writing about the economy and economic politics in expert milieus in academic and administrative institutions.⁴¹ Thus, it was difficult to escape the established way of thinking about concepts, means and ends when entering a supranational organisation.

Principles and roles

We shall now turn our attention from the Ministry's economists *qua* economists to the other facet that structured their conduct: their role as civil servants subordinate to a minister and the cabinet. The question of how permanent civil servants should relate to an elected, political leadership is as old as bureaucracy itself, even though the tentative answers have varied somewhat over time. In many countries, a more critical general attitude appeared in the 1970s. 'Public bureaucracies, staffed largely by permanent civil servants, are responsible for the vast majority of political initiatives taken by government', wrote, for example, Robert D. Putnam in 1973, adding that 'elected executives everywhere are outnumbered and outlasted by career civil servants'.⁴² Many countries witnessed a renewed scrutiny of the attitudes that permeated civil service and public administration, for example because of Watergate and Vietnam in the United States, and in the United Kingdom as a result of a more general debate from the 1960s onward concerning the civil service's competency, adaptability and willingness to change. More generally, there is reason to believe that such scrutiny in Europe was partially related to the era's increasingly critical interest in the socially entrenched structures of authority, of which a permanent civil service is undoubtedly a part. The criticism by young, radical political scientists of how the Ministry of Foreign Affairs' civil servants conducted themselves during the 1972 EEC dispute follows this trend.

There are certain norms and expectations for civil servants' internal and external conduct. In the US public administration, loyalty, efficiency, competence and accountability have been highlighted as key virtues.⁴³ The foundation of the British civil service from the mid nineteenth century onwards has been described as political

⁴¹ Michel Callon, 'The Embeddedness of Economic Markets in Economics', in Michel Callon, ed., *The Laws of the Market* (Oxford: Oxford University Press, 1998), 1–57; Marion Fourcade, *Economists and Societies* (Princeton: Princeton University Press, 2010), 29.

⁴² Robert D. Putnam, 'The Political Attitudes of Senior Civil Servants in Western Europe: a Preliminary Report', *British Journal of Political Science*, 3, 3 (1973), 257–290, here 257.

⁴³ Robert P. Goss, 'A Distinct Public Administration Ethos', *Journal of Administration Research and Theory*, 6, 4 (1996), 573–597. Darrel L. Pugh, 'The Origins of Ethical Frameworks in Public Administration', in J. S. Bowman and F. A. Elliston, eds., *Ethics, Government, and Public Policy* (New York: Greenwood, 1988).

neutrality, loyalty to government, professionalism and devotion to public interest.⁴⁴ Though most countries did not codify formal rules for how permanent civil servants should act, there were nonetheless certain expectations. Ministry employees should be loyal to the leadership, even as civil servants often represented a form of expertise – for example in jurisprudence, medicine, economics, military affairs or technology – that would necessarily tinge their recommendations. Ultimately, confidence in the political leadership also depended on being able to demonstrate that a case had been properly studied by the ministry's highly educated experts. This set limits, albeit ones that were never clearly specified, for when a politician could demand that a certain viewpoint be produced.

In addition, there was a tension between the civil servant's role as the minister's subordinate and as part of a wider bureaucracy that had to keep the country's parliament informed, and also, in some cases, society at large. This latter point has been emphasised in an extensive debate on whether the bureaucracy should constitute a 'responsive' or 'neutral' competence: responsive competence entails that the bureaucracy is primarily the given executive power's tool for shaping its policy; conversely, proponents of neutral competence want to ensure that the bureaucracy works for the entire government and society as a whole.⁴⁵

In the 1960s, the Norwegian political scientist Knut Dahl Jacobsen formulated three contradictory expectations of the civil servant's role, encapsulating several of the factors mentioned above: loyalty (to the minister), professional autonomy (that is, an expectation that a civil servant could and would state what he considered to be the optimal solution from a professional standpoint) and neutrality in politically controversial questions.⁴⁶ As with the neutral competence above, both practical and theoretical reasons underlay these factors, not least that civil servants depended on being trusted and perceived as legitimate by the opposition as well, since this opposition could become their superiors after the next election.

These three elements not only encapsulate the conflicts that arose in conjunction with the civil servants' participation in the EEC dispute in 1972, they also help clarify the difference between the Ministry of Finance, whose civil servants opposed EEC membership and were critical of the government; and the Ministry of Foreign Affairs, whose civil servants stood alongside the cabinet members and campaigned vigorously for membership.

⁴⁴ Geoffrey K. Fry, 'The British civil service system', in Hans A.G.M. Brekke and Fritz M. van der Meer, *Civil Service Systems in Western Europe* (Cheltenham: Elgar, 2000); Sylvia Horton, 'The Civil Service', in D. Farnham and S. Horton, *Managing the New Public Services* (London: MacMillan, 1996).

⁴⁵ Joel D. Aberbach and Bert A. Rockman, 'Civil Servants and Policymakers: Neutral or Responsive Competence?', *Governance: An International Journal of Policy and Administration* 7, 4 (1994), 461–69. Francis E. Rourke, 'Responsiveness and Neutral Competence in American Bureaucracy', *Public Administration Review* 52, 6 (1992), 539–46.

⁴⁶ Knut Dahl Jacobsen, 'Lojalitet, nøytralitet og faglig uavhengighet i sentraladministrasjonen', *Tidsskrift for samfunnsforskning*, 1, 3 (1960), 231–248.

Neither Jacobson's piece nor other articles by political scientists seem to have been known to the bureaucrats involved. However, a 1968 article by Knut Getz Wold, concerning the relationship between administration and politics, was actively discussed and used to establish where administrative tasks ended and politics began. In the article, Getz Wold – who by 1972 had become the governor of Norges Bank, and who had previously served as both a state secretary and director general – underscored that civil servants should not become politically involved in issues they dealt with on a professional basis, and that the more 'political' their position in fact was, the more caution they should exercise. Hence, a civil servant who gave information and recommendations more or less directly to his minister should be more cautious than an officer who processed cases several levels beneath the political leadership.⁴⁷

In the Ministry of Foreign Affairs, on the other hand, loyalty and responsiveness was cultivated on behalf of neutrality. As Ambassador Søren Sommerfelt explained in an interview, civil servants could hardly do anything wrong in making public statements as long as they were loyal to the government. The then foreign minister Halvard Lange (Labour) had expressed the same viewpoint in 1962, when assessing the participation of the ministry's civil servants in the first EEC debate. 'Civil servants must be allowed to participate in informational activities concerning issues of foreign policy when the cabinet has taken a position and they themselves agree with this position, and that is what has happened in the EEC debate', he said in a debate in the Storting. Getz Wold's opinion was that these assessments were 'very difficult to accept', partly because they allowed civil servants to become politically involved in issues directly under their purview, and partly because the legitimacy of their public statements was made dependent on whether or not they agreed with the government.⁴⁸ Getz Wold thus put greater stock in neutrality than the Ministry of Foreign Affairs did in their arguments, where loyalty was the be-all and end-all.

Being an expert and a servant at the same time

In autumn 1972 the issue that most strongly provoked economists, both inside and outside the Ministry of Finance, was the government's claim that EEC membership would stimulate economic growth far more than an alternative free-trade agreement between the EEC and EFTA would. The issue originated in the abovementioned analysis that Arne Øien, the director general of the Economic Policy Department, had been asked to carry out for Minister of Trade Per Kleppe, an analysis that was by no means based on exhaustive economic calculations. 'It seems almost unfeasible to quantify with any certainty how large the difference will be between these two options', Øien wrote in a memo that was sent to Kleppe. 'It can be pointed out,

⁴⁷ Knut Getz Wold, 'Administrasjon og politikk', *Nordisk administrativt tidsskrift*, 48, 3 (1968), 82–100.

⁴⁸ Lange, quoted in Wold 1968, 98.

however, that if economic growth were to differ by 1 per cent per year, computed over a ten-year period from 1972, then the impact will be substantial.⁴⁹ This was in fact the foundation of the 'estimate' of increased growth that was cited in the most important economic document in the EEC debate, the Report to the Storting 50 (1971–72) (On Norway's Affiliation to the European Economic Community) and in the public debate that followed the report's presentation.

Kleppe considered Øien to be so reluctant in his analysis that he himself chose to write a supplementary 'memo on growth'. The memo restated the previous estimate of a growth differential of 1 per cent in somewhat stronger terms, accompanied by a table that demonstrated how the growth could or would be distributed among the various industries. The memo did not really cite any arguments related to increased market access or effectiveness through deregulation. Kleppe relied largely on figures that the Ministry of Industry had collected from various trade organisations, figures that represented the organisations' estimates of what they thought membership would entail.

Kleppe's memo was roundly attacked by economists from various organisations in the remaining two to three weeks before the popular referendum in September 1972. The pro-EEC movement and certain other politicians presented even more ominous prospects for what would occur should Norway reject EEC membership. Their prognostications did not create quite the same stir, however, for two interconnected reasons: first, their arguments were not packaged with the same tabular expertise as the Ministry of Trade's memos, and second, Per Kleppe was not just another politician – rather, the intellectually oriented minister had himself worked at the Ministry of Finance and was an economist who had excelled at university.

In response to Kleppe's memo, Director General Schreiner wrote a kind of formal protest to the minister of finance against what he perceived as a disregard of the formal and actual competence of the Planning Department. 'It is my duty [sic] to inform you that the Planning Department considers that the document's analysis is lacking and that its underlying premises are to a certain degree unreasonable', Schreiner explained. 'Several employees feel justified in publicly stating that they view the case differently than the government'.⁵⁰

Kleppe's memo also prompted several economists to write op-ed pieces in protest. In mid September, a mere week and a half before the referendum, a large number of economists from two corners of the Iron Triangle, the Department of Economics at the University of Oslo and Statistics Norway, joined forces with prominent economists from certain other institutions to attack the government's economic growth estimates by way of a petition that was printed in several newspapers. The economists' message was that there was no justification whatsoever for believing that the Norwegian economy would grow less outside the Common Market than if Norway became a member. According to the high profile director of Statistics

⁴⁹'Betydningen for næringslivets utvikling og for den økonomiske vekst', Arne Øien's memo dated 24 Feb. 1972, EF file 2, EE 35; Report to the Storting 50 (1971–72), 103.

⁵⁰Per Schreiner to the minister of finance, memo dated 11 Sept. 1972. EF file 1, EE 35.

Norway's research department, Kleppe's estimates were 'fairy-tale figures'.⁵¹ The petition sparked off an extensive debate in the newspapers' op-ed pages, where the critics of the government's estimates probably felt as though they came out on top.⁵²

Several employees at the Ministry of Finance wanted to sign the petition which had originated at the University of Oslo and Statistics Norway. Arne Øien, the director general of the Economic Policy Department, held several discussions with the department's economists, where he clearly advised them not to sign such a petition. A few days before the petition was published, Øien reported that they, for the sake of loyalty, had chosen not to join forces with the external economists. But this was not necessarily the end of the matter, with Øien adding that 'we cannot rule out that they will instead take action in another way that, for all we know, might be just as bad'.⁵³

And that is exactly what they did. Three days before the referendum, sixteen of the nineteen economists beneath the level of principal officer (*byråsjef*) in the Planning Department and the Economic Policy Department published their own petition by taking out an advert in *Dagbladet*, the only major Norwegian newspaper in the anti-EEC camp. In its form the advert took particular aim at a similar advert from the pro-EEC movement, which had supposedly been formulated by the state secretary at the Ministry of Industry. In the anti-EEC petition, where the signatories presented themselves as 'economists who work on economic policy and long-term planning in the state bureaucracy', the sixteen civil servants expressed their disapproval with the way that misleading economic information had been put forth in the EEC debate. The signatories referred to one of the core arguments of the previous anti-EEC petition, namely the one concerning whether economic growth depended on the referendum's outcome. After making it clear that leading economists disagreed with the government's assessment, the signatories repeated their central claim that 'EEC membership would reduce Norway's power to govern itself'.⁵⁴

The sixteen economists did not explicitly state that they worked for the Ministry of Finance. But the newspapers of course called attention to this fact in their reporting on what they dubbed 'a revolt at the Ministry of Finance'. A journalist at *Dagbladet* who was known for being well informed, reported that the civil servants at the Ministry of Finance had long been frustrated about how the bureaucracy at other ministries had been used in the EEC debate, and that Kleppe's economic growth memo and the most recent advert from the pro-EEC movement had been the final straw.⁵⁵

⁵¹ Quoted in *Nationen*, 15 Sept. 1972.

⁵² Economist Ole David Koht Nordbye, in *Arbeiderbladet*, 9. Sept. 1972; Prof. Tore Thonstad, in *Arbeiderbladet*, 14 Sept. 1972.

⁵³ Quoted in Christiansen, *Fra Storting*, 352.

⁵⁴ As quoted in *Dagbladet*, 22 Sept. 1972.

⁵⁵ Andreas Hompland in *Dagbladet*, 22 Sept. 1972.

The petition was a strong statement of the professional stance on the membership question. But it can hardly be seen as 'neutral' or 'loyal'. No formal action was taken against the sixteen. The government lost the referendum and resigned a few days later.

Conclusion

The above analysis shows how resistance to the EEC was deeply rooted in Norwegian economists' view of economic policy making in general, and in their understanding of the importance of keeping a number of instruments available for economic intervention in particular. As highly valued public experts, and as masters of economic policy making, they were extremely well positioned to attack the authority of the arguments in favour of membership. The petitions from the Iron Triangle must have contributed to reducing the weight of the 'official' arguments, as they were presented by the presumably best expertise available to the government itself. Thus, the profession's stance is an important supplement to the electoral analyses that view the result of the 1972 EEC referendum as the outcome of a renewal of longstanding divisions in the Norwegian electorate. The robust criticism from the Norwegian economists in ministerial and academic life cannot be read directly into such divides, even though it is likely that their criticism influenced voters who more readily can be placed in these patterns.

Furthermore, the mobilisation by economists employed in the state apparatus, unorthodox as it was, supported and extended the popular quest for 'self determination'. Their underlying message was that 'self determination' and refusal to join the Community was not only possible but even desirable from an economic policy point of view.

It is also instructive in this context to note that even the government's arguments did not make much use of free-market arguments, for example that Norway would benefit from greater mobility in labour and capital. This suggests either that the free market arguments were not perceived as being vote winners, or perhaps more likely, that they were not completely accepted or internalised by those who formulated the government's pro-EEC position.

And how could one have expected otherwise? The presented epistemic characteristic of the economists was developed in interaction with the surrounding community and in the distinctiveness of Norwegian economic policy making. Thus, it cannot be seen as an isolated 'professional' opinion. Post-war economic plans, budgets, white papers and public speeches had been closely co-produced by government politicians and economists for more than twenty five years at the time of the second EEC enlargement in 1972. Neither economic experts nor lay people could completely escape the way of reasoning around means and ends, state and society, market and intervention brought forward by economists.

At the Ministry of Finance, the ideals of loyalty and political neutrality seem to have made the most senior civil servants reluctant to participate openly in the public

debate on the EEC. And it is on the issue of neutrality that the Ministry of Finance and the Ministry of Foreign Affairs went in separate directions. The viewpoints put forth by the late foreign minister Halvard Lange and Ambassador Sommerfelt – that high-ranking civil servants could not do much wrong as long as they supported their minister – completely excludes ‘neutrality’ on controversial issues.

The difference between the two positions became abundantly clear immediately after the referendum in 1972. In the wake of Norway’s rejection of membership, Secretary General Eivind Erichsen wrote a memo to the minister of finance, intended to be circulated to several cabinet ministers, that it was by all means time to move on and that things should return to normal. Negotiations would soon have to get underway in Brussels for a free-trade agreement, and one of the normalisation measures Erichsen proposed in his memo was that the Norwegian delegation should be led by the same pro-EEC people who had previously negotiated the conditions of membership. A few days later, however, a lengthy newspaper interview with Ambassador Sommerfelt appeared that almost seemed a distorted echo of Erichsen’s memo. As Sommerfelt explained already in the lead, should the pro-EEC Labour government resign and an anti-EEC coalition government be formed, ‘it would have to have a twisted sense of humour if it instructed me to negotiate a trade agreement with Brussels’.⁵⁶ It was evident that Sommerfelt was by no means inclined to undertake such an assignment and that he did not expect to be asked to do so. This can hardly be characterised as ‘neutral’, and if it is ‘loyal’, the loyalty is more to a certain cause than to the incumbent minister.

⁵⁶ *Morgenavisen*, 20 Sept. 1972.