



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

581st Council meeting

- Energy -

Brussels, 17 May 1979

President: Mr André GIRAUD
Minister for Industry of
the French Republic

17.V.79

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Willy CLAES

Deputy Prime Minister,
Minister for Economic Affairs

Denmark:

Mr Arne CHRISTIANSEN

Minister of Commerce

Germany:

Mr Otto Graf LAMBSDORFF

Federal Minister for Economic
Affairs

Mr Dieter von WURZEN

State Secretary,
Federal Ministry for Economic
Affairs

France:

Mr André GIRAUD

Minister for Industry

Ireland:

Mr Desmond O'MALLEY

Minister for Industry,
Commerce and Energy

Italy:

Mr Franco NICOLAZZI

Minister for Industry, Trade
and Craft Trades

Luxembourg:

Mr Josy BARTHEL

Minister for Energy

17.V.79

Netherlands:

Mr J.H. LUBBERS

Ambassador
Permanent Representative

United Kingdom:

Mr David HOWELL

Secretary of State for Energy

Commission:

Mr Guido BRUNNER

Member

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COMMUNITY SUPPLIES

A. SITUATION OF COMMUNITY OIL SUPPLIES

The Council examined the oil supply situation of the Community and noted that the general background to it was disturbing from the point of view of both quantities and prices.

The resumption of Iranian production had not led to the desired easing of the oil market situation, while since the beginning of the year certain producer countries had lowered the production ceiling which they had authorized up to that time.

This market fragility, which was accompanied by disturbances in the operation of the channels of supply, made for increasing uncertainty.

The Council approved the Commission's intention of keeping itself informed of the activities of the oil companies by maintaining permanent contact with them in order to ensure that their deliveries were maintained in the coming months, subject to justification which should be supplied to it, and requested the Commission to report to the Council as soon as possible.

B. ECONOMIC CONSEQUENCES OF THE CRISIS

The economic balance of the whole Community was being seriously affected by the rise in oil prices which had occurred since the beginning of the year.

This rise was having negative effects on growth and was frustrating the efforts of Governments to halt inflation. Furthermore, in the present circumstances a simple increase in prices could not be expected to bring about an improved volume of supply on the market.

As regards prices of crude, the Council noted that a series of "temporary surcharges" and the continuance of disturbances on the free markets affecting limited quantities might serve as a pretext for further increases in oil prices. The Council also noted that for normal transactions in the Community the level of prices was much lower than that reached on these free markets.

C. CONCLUSIONS

In view of this situation, the Council:

1. reaffirmed the determination of the Member States:

- to take appropriate measures to reduce their oil consumption substantially, and stressed the need for energetic action to increase energy production in the Member States under satisfactory economic conditions;
- to approach the Community's industrialized partners with a view to their making similar arrangements without delay.

2. invited the Commission and the Member States:

- (a) to prepare to cope in orderly fashion with a possible deterioration in the supply situation, so as to prevent such a deterioration from causing serious upsets that would damage the Community economies;
- (b) to reduce the economic effects of the increase in oil prices by seeking, among other things, means of promoting the regular operation of price formation mechanisms;
- (c) finally, to work out, through international concerted action, common ideas of how to resolve the energy crisis.

LIMITING OIL CONSUMPTION

The Council, in accordance with the decisions taken by the European Council on 12 and 13 March 1979,

1. discussed in detail, on the basis of the summary document prepared by the Commission, the measures being implemented or worked out by Member States with a view to reducing Community consumption of oil and petroleum products to 500 million tonnes in 1979;
2. considered that the energy-saving measures already being implemented in the Member States - the effects of which were being increasingly felt - and the new measures which they were currently taking should enable this target to be met;
3. noted that the speeding up of energy-saving programmes decided on by the Member States represented a positive contribution to the attainment of that target;
4. noted the arrangements adopted by the Commission for monitoring consumption trends. A periodical report would be drawn up in preparation for the proceedings of the next meeting on this point;
5. noted that a number of Member States were adopting further measures intended to strengthen the impact of these arrangements for 1979; these measures concerned particularly:
 - increasing the awareness of public opinion;
 - the use of energy in the public sector;
 - the maximum use of coal in place of oil in thermal power stations;
 - the gradual commissioning of new coal-fired and nuclear power stations;
 - stepping up checks on heating standards and measures to reduce vehicle fuel consumption;

6. stated that these measures should not adversely affect the level of economic activity in the Member States;
7. noted that the measures already being studied in the Member States could, under arrangements tailored to the specific needs of each State, serve as the basis for possible additional arrangements;
8. asked the Commission to investigate how it could be guaranteed, through equivalent efforts in the Member States, that a desired level of stocks would be attained by next winter;
9. expressed the hope that the effects of the efforts thus undertaken by the Community would be reinforced by similar efforts on the part of the other industrialized countries;
10. noted that these efforts should continue beyond 1979;
11. asked the Commission to determine, with the assistance of the Member States, whether the supplies were compatible with the objective of 500 MT and with the replenishment of stocks.

The Council, which is unanimous in its view of the seriousness of the situation, considered that the overall consumption of petroleum products in the Community should remain stable at the level of the period 1977-1978. It is counting on the support of the people of the Community countries to achieve this objective.

The Council asked the Commission to keep under close scrutiny the implementation of the measures to limit oil consumption and to examine, as a precaution, any additional measures that might be necessary.

MONITORING OF THE OF THE MARKET

The Council examined and gave its support to the measures proposed by the Commission aimed at improving information on the quantity of oil and petroleum products imported into the Community and on their prices. It took note of the fact that these measures would make it possible, for certain grades of crude oil defined from a commercial point of view, to obtain information relating to prices on the basis of loading dates and containing the necessary data on the features of the crudes, credit terms and the real prices actually paid. It also took note of the fact that the list of crudes would be reviewed periodically in order to identify commercial categories clearly defined so as to enable better use to be made of the information thus obtained.

In the immediate future, the Member States have agreed to supply the relevant information to the Commission on a voluntary basis.

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In accordance with the decision taken at its meeting on 27 March 1979, the Council took note of the arrangements adopted by the Commission for resuming as from 1 June 1979 the work of monitoring the functioning of the various free markets, especially that of Rotterdam.

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The Council expressed its concern at the trend of prices on these markets, which could help to reinforce the upward movement in the official crude oil prices fixed by the producer countries. It stressed the fact that these markets were marginal and that they did not supply Europe only.

It noted that the trend of consumer prices in the various Member countries had in general followed closely that of official crude oil prices and not the trend of quotations on the free markets.

Nevertheless, the Council felt it was essential to make the price formation mechanisms more transparent and to make these public.

It therefore asked the Commission to provide it with an analysis of these mechanisms, taking into account the work which is to be carried out, and to submit to it any proposals it considers necessary for improving market transparency and quotation procedures.

CRISIS ARRANGEMENTS

The Council approved certain arrangements laid down in Decision No 77/706 on the exporting of crude oil and petroleum products from one Member State to another in the event of supply difficulties.

It also noted that the Commission would adopt the implementing arrangements in connection with the Decision laying down a Community target for reducing primary energy consumption in the event of supply difficulties in crude oil and petroleum products.

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OTHER DECISIONS

Emergency aid

The Council agreed to emergency Community aid of 45,000 EUA requested by the World Health Organization (WHO) for the supply of 2,000,000 doses of anti-cholera vaccine to enable its anti-cholera campaign in Mozambique to be continued.

Commercial policy

The Council adopted in the official languages of the Communities the Regulation temporarily suspending the autonomous Common Customs Tariff duty on mechanically propelled aircraft of an unladen weight exceeding 15,000 kg falling within subheading ex 88.02 B II c).

Approximation of the laws of the Member States

The Council adopted, in the official languages of the Communities, Directives on the approximation of the laws of the Member States relating to

- = the coupling device and the reverse of wheeled agricultural or forestry tractors
- = the component type-approval of lighting and light-signalling devices on wheeled agricultural or forestry tractors.

ECSC

The Council gave its assent, pursuant to Article 55(2)(c) of the ECSC Treaty, to the granting by the Commission of financial aid for the initiation and implementation of an iron and steel research programme.

Appointments

On a proposal by the Danish Government, the Council appointed Afdelingschef Ole HJORT, Dansk Arbejdsgiverforening, an alternate member of the Advisory Committee on Freedom of Movement for Workers in place of Mr Jørgen STENBJERRE, alternate member, who has resigned, for the remainder of the latter's term of office which expires on 10 October 1979.

Also on a proposal by the Danish Government, the Council appointed Afdelingschef Hans Skov CHRISTENSEN, Dansk Arbejdsgiverforening, a full member, and Fuldmaegtig Birthe JOHANSEN, Dansk Arbejdsgiverforening, an alternate member of the Committee of the European Social Fund in place, respectively, of Mr Jørgen STENBJERRE, full member, who has resigned, and Mr Hans Skov CHRISTENSEN, alternate member, who has also resigned, for the remainder of their term of office which expires on 16 April 1980.

The Council adopted, in the official languages of the Communities, the decision appointing the members of the Scientific and Technical Committee for the period 1 April 1978 to 31 March 1983:

Prof. Arnaldo Maria ANGELINI
Mr Jean-Jacques BARON
Prof. Dr. phil. Adolf BIRKHOFER
Ing. Giulio CESONI
Prof. Umberto COLOMBO
Mr Alexis DEJOU
Prof. Cyril F. DELANEY
Prof. P. De MEESTER
Dr DUPLAN
Mr Frederick William FENNING, B.A.
Prof. Giovanni GAMBARDELLA
Mr J. GOENS
Mr Harold Howard GOTT, M.A.
Prof. Bruno GUERRINI
Dr rer. nat. Rudolf HARDE
Mr Jules HOROWITZ
Prof. Dr. phil. H. Højgaard JENSEN
Prof. Ir. D.G.H. LATZKO
Mr LENY
Prof. D.C. LESLIE, M.A., D. Phil.
Mr Dennis Roy LOMER
Dr Andrew Sinclair McLEAN
Ir. A. MEIJER
Prof. DR. rer. nat. Dr. med. Erik OBERHAUSEN
Prof. Dr. rer. nat. Arnulf SCHLÜTER
Dr Harro TRENKLER
Mr Henri WAGENER

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NOTE BIO (79) 165 AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU GROUPE, A M BURGHARDT DG I, M LECOMTE DG VII

CONFERENCE DE PRESSE DE M BRUNNER ET PREPARATION
DU CONSEIL ENERGIE DU 17.5.79 (MICHAEL CWIK)

1. LA CONFERENCE DE PRESSE DE M BRUNNER S EST SITUEE DANS LE
CADRE DE LA PREPARATION DU CONSEIL D ENERGIE QUI SE REUNIT
JEUDI, 17 MAI A 14.30 H A BRUXELLES.

2. M BRUNNER A D ABORD RAPPELE L OBJECTIF PRINCIPAL FIXE PAR LA
COMMISSION DANS LE DOMAINE DE L ENERGIE POUR L ANNEE 1979 :
EPARGNER 5 O/O DE PLUS EN ENERGIE PAR RAPPORT
; EN CHIFFRES : ARRIVER A UNE CONSOMMATION DE
PETROLE BRUT ANNUELLE DE 500 MILLIONS DE TONNES AU LIEU DE
525 MILLIONS DE TONNES.

QU A EPARGNER DE L ENERGIE A RAISON DE 3,5 O/O POUR L ANNEE 1979.
DES EFFORTS SUPPLEMENTAIRES EN CETTE MATIERE SONT DONC NECESSAI-
RES. LE CONSEIL DOIT S OCCUPER CONCRETEMENT DE CETTE QUESTION.

3. EN CE QUI CONCERNA LA SITUATION ENERGETIQUE DANS LA COMMUNAUTE,
M BRUNNER A CONSTATE QUE CETTE QUESTION EST SOUVENT
PRESENTEE D UNE MANIERE EXAGEREE, SOIT DANS LE SENS DE L EXIS-
TENCE D UNE CRISE, SOIT DANS LE SENS QUE RIEN N A CHANGE. IL
EST EXACT QUE LES RESERVES DANS LA COMMUNAUTE NE COUVRENT PLUS
QUE 100 JOURS PAR RAPPORT A 113 VERS LA FIN 1978, MAIS CE CHIFFRE
QUI REPRESENTE LA MOYENNE DE LA COMMUNAUTE, SE SITUE TOUJOURS
AU DESSUS DE 90 JOURS, CONSIDERE COMME RESERVE MINIMUM.

D AUTRE PART, L EVOLUTION DES PRIX A UNE TENDANCE INQUITANTE.
L AUGMENTATION DES PREMIERS MOIS DE CETTE ANNEE SE SITUE DEJA
A 24 O/O. DANS CE CONTEXTE, M BRUNNER A SOULIGNE QU IL INCOMBE
EGALEMENT AUX PAYS DE L OPEP D ANALYSER LORS DE LEUR PROCHAINE
REUNION, LES REPERCUSSIONS EVENTUELLES D UNE AUGMEN-
TATION SUPPLEMENTAIRE DU PRIX DE PETROLE SUR L EVOLUTION DE
L ECONOMIE MONDIALE.

M BRUNNER A SOULIGNE QUE L APPROVISIONNEMENT DE LA COMMUNAUTE EN
PETROLE NE POSE PAS DE PROBLEMES POUR L INSTANT, MAIS QU IL
FAUDRAIT NEANMOINS FAIRE ENCORE PLUS D EFFORTS POUR ECONOMISER
DE L ENERGIE DANS TOUS LES DOMAINES AFIN D EVITER DES TENSIONS
SUR LES MARCHES PETROLIERS PENDANT LA PERIODE D HIVER PROCHAIN.

DANS LE CONTEXTE GENERAL D UNE OFFRE REDUITE EN PETROLE DANS LES
PROCHAINES ANNEES, M BRUNNER A MENTIONNE LA NECESSITE DE
AUX ESTIMATIONS ORIGINALES POUR 1979.

** SUR BASE DES MESURES DEJA COMMUNIQUEES PAR LES ETATS MEMBRES,
LA COMMUNAUTE N ARRIVERA ...

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M SANABELLI

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NOTE BIO(79) 165 SUITE 1 ET FIN AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU GROUPE, A M BURGHARDT DG I , M LECOMTE DG VIII

CONSEIL ENERGIE DU 17 MAI 1979 (MICHAEL CWIK)

SOUS LA PRESIDENCE DE M ANDRE GIRAUD, LA REUNION S EST DEROLE
DANS UNE ATMOSPHERE DE TRAVAIL TRES CONSTRUCTIVE. VU LE
NOMBRE DE POINTS SUR L ORDRE D'JOUR, LA REUNION NE S EST
TERMINE QU A 11.30 H. A L EXCEPTION DU POINT SUR LE
DIALOGUE AVEC LES PAYS PRODUCTEURS ET LE DISPOSITIF EN CAS DE
CRISE, DES COMMUNIQUEES ONT ETE ETABLIES.

LES PRINCIPAUX POINTS DE L ORDRE DU JOUR
ETAIENT LES SUIVANTS :

1. LA SITUATION DU MARCHE PETROLIER ET L APPROVISIONNEMENT DE
LA COMMUNAUTE

SUR BASE DE 2 DOCUMENTS DE TRAVAIL DE LA COMMISSION, LE CONSEIL
A CONSTATE QUE LA SITUATION SUR LE MARCHE PETROLIER RESTE
CARACTERISE PAR UNE EXTREME TENSION TANT DU POINT DE VUE DE
QUANTITE QUE CELUI DES PRIX. IL A APPROUVE L INTENTION DE LA
COMMISSION DE SE TENIR INFORMEE DE L ACTIVITE DES SOCIETES
PETROLIERES, GRACE A UN CONTACT PERMANENT AVEC ELLES, AFIN
D OBTENIR LE MAINTIEN DE LEUR LIVRAISON DANS LES MOIS A VENIR.
EN CAS DE LIVRAISON IRRÉGULIERES, DES JUSTIFICATIONS DEVRAIENT
ETRE FOURNIES A LA COMMISSION.

LE CONSEIL A REAFFIRME LA DETERMINATION DES ETATS MEMBRES :
- DE PRENDRE DES MESURES APPROPRIEES POUR REDUIRE LA CONSOM-
MATION PETROLIERE DE FACON SUBSTANTIELLE ET A SOULIGNE LA
NECESSITE D UNE ACTION VIGOUREUSE POUR ACCROITRE LA PRODUCTION
D ENERGIE DANS LES ETATS MEMBRES DANS DES CONDITIONS ECONOMI-
QUES SATISFAISANTES;

- D INTERVENIR AUPRES DES PAYS INDUSTRIALISES, PARTENAIRES
DE LA COMMUNAUTE, POUR QU ILS PRENNENT SANS TARDER
DES DISPOSITIONS DE LA MEME NATURE.

IL A INVITE LA COMMISSION ET LES ETATS MEMBRES :

- A SE PREPARER A FAIRE FACE A UNE EVENTUELLE AGGRAVATION DE
LA SITUATION D APPROVISIONNEMENT,
- A REDUIRE LES INCIDENCES ECONOMIQUES DE LA HAUSSE DES PRIX
PETROLIERS EN RECHERCHANT EN PARTICULIER LES MOYENS DE FAVORI-
SER LA REGULARITE DES MECANISMES DE FORMATION DE PRIX, ET
- A DEGAGER, DANS LE CONCERT INTERNATIONAL, DES CONCEPTIONS
COMMUNES SUR LA FACON DE RESOUDRE LA CRISE DE L ENERGIE.

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M. SANTARELLI

2. PERSPECTIVES STRATEGIQUES ET LA POSSIBILITE D'ÊTRE DIALOGUER AVEC LES PAYS PRODUCTEURS

CE POINT A ETE DISCUTE EN SEANCE RESTREINTE. D'UNE FACON GENERALE, LA COMMUNAUTE ENVISAGE DE PRENDRE DES CONTACTS TECHNIQUES SOUS DES FORMES APPROPRIEES, DE FACON A FAVORISER L'ETABLISSEMENT D'UN DIALOGUE INTERNATIONAL QUE EST CERTAINEMENT LA MEILLEURE SOLUTION, SINON LA SEULE POUR REGLER LES PROBLEMES D'ENERGIE DANS LE MONDE.

3. OBSERVATION DU MARCHÉ PETROLIER

CE POINT A ETE EGALEMENT TRAITE EN CADRE RESTREINT, MAIS UN COMMUNIQUE A ETE DELIVREE, INDIQUANT ENTRE AUTRES QUE LA COMMISSION A MIS AU POINT LES MESURES QUI AVAIENT ETE DEMANDEES PAR LE CONSEIL DU 27 MARS SUR LA FACON D'OBSERVER LES MARCHES PETROLIERS, LA SITUATION D'APPROVISIONNEMENT PETROLIERE DE LA COMMUNAUTE, A LA FOIS EN QUANTITE ET EN PRIX. CECI A ETE PRECISE ET LE CONSEIL A APPROUVE LES DISPOSITIONS CORRESPONDANTES. LE CONSEIL A PRIS ACTE DES DISPOSITIONS PRISES PAR LA COMMISSION VISANT A REPRENDRE A PARTIR DU 1ER JUIN 1979 LES TRAVAUX CONCERNANT LE FONCTIONNEMENT DES DIFFERENTS MARCHES LIBRES, NOTAMMENT CELUI DE ROTTERDAM. LE CONSEIL A ESTIME INDISPENSABLE D'AMELIORER LA TRANSPARENCE DES MECANISMES DE FORMATION DES PRIX SUR CES MARCHES. IL A INVITE EN CONSEQUENCE LA COMMISSION A LUI FOURNIR UNE ANALYSE DE CES MECANISMES, EN TENANT COMPTE NOTAMMENT DES TRAVAUX QUI VONT ETRE ENTREPRIS, ET A LUI FAIRE LES PROPOSITIONS QU'ELLE JUGERA UTILES POUR AMELIORER LA TRANSPARENCE DES MARCHES ET LES PROCEDURES DE COTATION.

4. LIMITATION DES CONSOMMATIONS PETROLIERES

LE CONSEIL A PROCÉDÉ, SUR LA BASE DU DOCUMENT DE SYNTHÈSE PRÉPARÉ PAR LA COMMISSION, D'UN ÉCHANGE DE VUES APPROFONDIES SUR LES MESURES MISES EN ŒUVRE OU ÉTUDIÉES PAR LES ÉTATS MEMBRES EN VUE DE RÉDUIRE À 500 MIO T EN 1979 LA CONSOMMATION DE PÉTROLE ET DE PRODUITS PÉTROLIERS DANS LA COMMUNAUTE.

PLUSIEURS ÉTATS MEMBRES ONT ANNONCÉ DES NOUVELLES MESURES DESTINÉES À RENFORCER L'IMPACT DU DISPOSITIF EXISTANT POUR L'ANNÉE 1979. CECI CONCERNE EN PARTICULIER :

- LA SENSIBILISATION DE L'OPINION
- L'UTILISATION DE L'ÉNERGIE DANS LE SECTEUR PUBLIC
- LA SUBSTITUTION MAXIMALE DU CHARBON AU FUEL DANS LES CENTRALES THERMIQUES
- LA MISE EN SERVICE PROGRESSIVE DE NOUVELLES CENTRALES À CHARBON ET NUCLEAIRES
- LE RENFORCEMENT DU CONTRÔLE SUR LE CHAUFFAGE ET DES MESURES DESTINÉES À RÉDUIRE LA CONSOMMATION DES VÉHICULES.

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LE CONSEIL A INVITE LA COMMISSION A EXAMINER, AVEC LE CONCOURS DES ETATS MEMBRES, LA DISPONIBILITE DES APPROVISIONNEMENTS CORRESPONDANT A L OBJECTIF DE 500 MIO T ET A LA RECONSTITUTION DES STOCKS. IL A INVITE LA COMMISSION A SUIVRE DE PRES LA MISE EN OEUVRE DES MESURES DE LIMITATION DE CONSOMMATION PETROLIERE ET A ETUDIER, A TITRE DE PRECAUTION, DES MESURES COMPLEMENTAIRES EVENTUELLEMENT NECESSAIRES.

5. DISPOSITIFS EN CAS DE CRISE

LE CONSEIL A MIS AU POINT DEFINITIVEMENT ET COMPLETEMENT LA MISE EN OEUVRE, EN CAS DE CRISE D APPROVISIONNEMENT, D UN PROGRAMME DE MESURES DE SOLIDARITE.

LA PROCHAINE REUNION EST PREVUE POUR LE 18 JUIN 1979.

AMITIES, MANUEL SANTARELLI
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