

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

445th Council meeting

- Energy -

Brussels, 29 March 1977

President: Mr Tony BENN,
Secretary of State for Energy
of the United Kingdom

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

Belgium:

Mr Fernand HERMAN Minister for Economic Affairs

Denmark:

Mr Ivar NØRGAARD Minister of Commerce

Germany:

Mr Hans FRIDERICHS Federal Minister for Economic Affairs

France:

Mr Paul MENTRE Delegate-General for Energy

Ireland:

Mr Thomas FITZPATRICK Minister for Transport and Power

Italy:

Mr Gianuario CARTA State Secretary,
Ministry of Industry and
Commerce

Luxembourg:

Mr Marcel MART Minister for Economic Affairs

Netherlands:

Mr R.F.M. LUBBERS Minister for Economic Affairs

29.III.77

United Kingdom:

Mr Tony BENN

Secretary of State for Energy

Mr Dickson MABON

Minister of State,
Department of Energy

Mr John CUNNINGHAM

Parliamentary Under-Secretary,
Department of Energy

Commission:

Mr Guido BRUNNER

Member

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WORK PROGRAMME

The Council took formal note of a report on the progress made in the implementation of the programme of work for the first half of 1977, adopted on 21 December 1976.

It instructed the Permanent Representatives Committee to continue preparation of outstanding points so as to enable the Council to act before the end of June.

ENERGY SITUATION OF THE COMMUNITY

The Council held an exchange of views on the political aspects of the energy situation of the Community on the basis of a communication from the Commission.

This debate gave the members of the Council and the Commission the opportunity of comparing their views - in a constructive spirit - on the prospects for the traditional energy sectors - petroleum, coal and gas - as well as on the problems posed by the development of nuclear and other new sources of energy.

Concluding its discussion, the Council reaffirmed its will to help to improve the balance of the world energy market by the rapid implementation of specific aspects of a European energy policy, by a determined effort to economise on energy and by the development of both traditional and new indigenous sources of energy. In this connection, it also emphasized the importance of prices policy.

The Council agreed henceforth to hold a general exchange of views on the energy situation twice a year; furthermore it will discuss the particular problems relating to the development of nuclear energy at its next meeting on Energy due to be held in June.

ENERGY SAVING

The Council held a policy debate on the intensification of the Community's energy-saving programme; in this connection it referred to a communication from the Commission and a memorandum from the French delegation.

In conclusion, the Council requested the Energy Committee to hold a meeting, with an appropriate attendance, in the near future, to deal exclusively with questions concerning energy saving, with the aim of giving a political impulse to the continuation of discussions in this field.

The Commission will submit in the near future a new series of draft recommendations for the implementation of such specific projects as would make an early and effective contribution to the attainment of the Community's objectives in the area of energy saving.

The Council set itself the end of June 1977 as the time limit for a decision on these recommendations.

REFINING PROBLEMS

The Council held a preliminary discussion on a Community approach to refining problems in the Community, on the basis of a memorandum from several delegations and a communication from the Commission.

The discussion underlined the importance of the problems outstanding in this sector and enabled the Council to express its political willingness to reach a Community solution as soon as possible.

It asked the Commission to submit practical proposals that would enable it to act at its meeting in June.

PROMOTION OF INVESTMENT

The Council asked the Commission to submit to it - at its next meeting on energy - proposals for a set of measures to promote and protect investment in the energy sector. The Commission's ideas in this connection should also deal with the problem of the MSP.

EURATOM LOANS

The Council adopted Decisions

- empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations'
- implementing this Decision.

The first Decision empowers the Commission to issue loans, on behalf of the European Atomic Energy Community (Euratom) and within amounts fixed by the Council, the proceeds of which will be lent for the purpose of financing investment projects relating to the industrial production of electricity in nuclear power stations and to industrial fuel cycle installations.

The Commission is to borrow no more than the amounts of the loans for which it has received applications.

Borrowing transactions and the lending transactions related thereto are to be expressed in the same currency and carried out on the same terms as regards the repayment of principal and the payment of interest. The costs incurred by the Community in concluding and carrying out each transaction are to be borne by the beneficiary undertakings concerned.

The Decision lays down the conditions under which the Commission is to negotiate the terms for issuing and granting loans.

Under the second Decision, loans for which provision is made in Article 1 of the basic Decision may be issued up to a total of 500 million European units of account, as defined in Decision 75/250/EEC.

COAL MARKET

The Council discussed the situation on the common coal market; it agreed with the analysis made by the Commission in the communication which it had submitted to it on this matter.

The Council agreed on the need to collect information in the Member States on coal imports from third countries and to forward it to the Commission automatically.

It invited the Commission to study with each Member State appropriate ways of implementing this information system. The Council would examine the proposed system in June and decide if it was adequate.

COKING COAL ARRANGEMENTS

The Council examined the changes which the Commission proposed to make in the coking coal arrangements and agreed in principle (1) to extend the validity of the existing arrangements until 1981, on the understanding that the arrangements to apply in 1980 and 1981 would be re-examined before the end of 1979, without however prejudging the question of the gradual reduction of aid in those two years.

(1) One delegation entered a provisional reservation

29.III.77

The Council adopted the Decision appointing members of the Advisory Committee of the Euratom Supply Agency.

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In addition, the Council adopted, in the official languages of the Communities, the Council Directive on biological screening of the population for lead.

ENERGY COUNCIL , TUESDAY, MARCH 29.1977

The Energy Council on Tuesday, March 29, under the Presidency of the British Energy Minister, Mr. Benn, will deal mainly with the following themes:

1. General discussion on Energy problems. The Commission's attitude on this was decided in February :

- priority for new measures of energy-saving;
- more emphasis to be placed on coal. (Help for coking, coal, more use of coal in power stations, coal stocking, improved supervision over imports and the condition of the market.)
- continuation of the Nuclear Programme (even at a lesser pace), as well as moves towards an open dialogue with experts and opinion makers over the necessity and the risks involved in nuclear power;
- more emphasis on developing new sources of energy.

2. Euratom loans

For two years now the Council has had on the table a Commission proposal to guarantee loans up to 500 M. U.C. to help finance atomic power stations. Requests for these loans have already been received from Italy, France, the Federal Republic of Germany and the United Kingdom.

3. Energy saving measures :

The Commission made a series of proposals at its meeting in February, notably :

- stronger role for the energy committee;
- settling priorities for areas in which fastest results might be expected : heating and insulation of buildings, automobile industry, electrical industry (domestic apparatus); etc.
- provision of financial aid for demonstration projects (e.g. heat pumps, low energy houses, use of spare heat from power stations, reduction of waste in industry, energy storage.

4. Financial aid for Coal stocks

Commission proposes a community subvention of 150. M.U.C. over three years to finance up to twenty million tons of coal stocks at coal mines (P-25 refers)

Other questions before the Council :

- Progress on the work programme for 1977 laid down by the Commission last December.
- Situation in the Coal industry of the Community, in particular the problem of coal imports from third countries.
- Minimum selling price for oil.
- Problems of overcapacity of refineries in the Community (P-24 refers).

Note BIO (77) 117 aux bureaux nationaux
c.c. aux membres du GPP, au directeur général DG I et au service "relations de la
Commission avec ses délégués" DG VIII

CONSEIL DE L'ENERGIE, MARDI 29 MARS 1977

Le Conseil de l'Energie, qui se tiendra mardi 29 mars 1977 sous la présidence
de M. Benn, ministre britannique de l'énergie, traitera principalement des
sujets suivants:

1) Discussion générale sur des problèmes énergétiques.

L'attitude de la Commission à cet égard a été décidée en février:

- la priorité sera donnée à de nouvelles mesures d'économie de l'énergie;
- l'accent sera mis davantage sur le charbon. (Aide au charbon de coke, usage plus intensif du charbon dans les centrales électriques, stockage du charbon, surveillance plus efficace des importations et de la situation sur le marché);
- le programme nucléaire sera poursuivi (même à un rythme ralenti) et des efforts seront entrepris en vue d'établir un dialogue loyal avec des experts et des responsables de l'opinion sur la nécessité de l'énergie nucléaire et les risques qu'elle comporte;
- l'accent sera mis davantage sur les nouvelles sources d'énergie.

2) Emprunts Euratom

Voici deux ans que le Conseil est saisi d'une proposition de la Commission visant à obtenir une garantie pour les emprunts n'exédant pas 500 MUC pour contribuer au financement des centrales nucléaires.

L'Italie, la France, la République Fédérale d'Allemagne et le Royaume-Uni ont déjà adressé une demande à cet effet. DIS.: Le Royaume-Uni a réservé sa position en ce qui concerne ces emprunts, posant comme condition à son acceptation un prix de

3) Mesures d'économie d'énergie vente minimum pour le pétrole FIN DIS.

La Commission a présenté une série de propositions au cours de sa réunion de février, notamment:

- renforcement du rôle du comité de l'énergie;
- fixation de priorités dans les domaines pour lesquels on peut escompter des résultats très rapides: chauffage, isolation des bâtiments, industrie automobiles, industrie électrique (appareils ménagers), etc.;
- aide financière pour des projets de démonstration (ex.: pompes à chaleur, habitations à faibles besoins énergétiques, récupération de chaleur, réduction du gaspillage dans l'industrie, stockage de l'énergie.

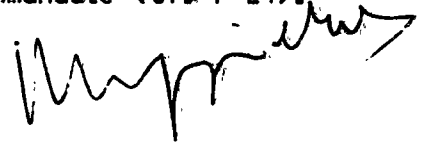
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4) Aide financière au stockage du charbon

La Commission propose une subvention communautaire de 150 MUC pour trois années en vue de financer le stockage d'un maximum de 20 millions de tonnes de charbon sur le carreau des mines (cf. P-25).

Autres questions soumises au Conseil

- Réalisation du programme de travail pour 1977, établi par la Commission en décembre dernier.
- Situation dans l'industrie charbonnière de la Communauté, notamment le problème des importations de charbon en provenance des pays tiers.
- Prix de vente minimum du pétrole.
- Problèmes de surcapacité des raffineries dans la Communauté (cf. P-24).



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R. RUGGIERO

priorite p - 1

Remis au telex à :

Note BIO (77) 117 - suite 1 et fin aux bureaux nationaux
c. c. aux membres du Groupe, au directeur général DG I et au service
"relations de la Commission avec ses délégués" DG VIII

ENERGY COUNCIL
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The meeting of the Council of Energy Ministers began this morning at
10.15 under the presidency of Mr. Tony Benn.

After a restricted session lasting some 1½ hours, the Council passed
on to discussion of energy saving. For the Commission, Mr. Brunner said a
ten-year programme should be worked out aimed at reducing energy consumption by
5%. The plan could create, he suggested, about 700,000 jobs within the Community.
The Commission were also proposing a variety of demonstration projects. Energy
saving might meet resistance from industry and commerce and in this respect the
Commission would ask for the support of the Council.

A general discussion followed on which the French put forward a suggestion
for a ceiling in money terms on oil imports, the British said that if nothing
was done the UK will be consuming in thirty years time twice as much as today,
and Herr Frederichs for Germany said anything which might lead to restrictions
on trade should be avoided. Mr. Benn said the Council would take note of the
Commission's proposals which would come up for consideration again at the
June meeting.

Refineries:

The Commission paper pointed out an overcapacity of some 16.5% in
the Community's refineries and the challenge of imports for the third world
got a mixed reception. This subject will also be brought up again in June
taking into account the views expressed today.

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Coal market:

Ministers engaged in a lengthy discussion to find a compromise acceptable to all over the question of whether or not a system of automatic import licences should be introduced to give precise figures for coal imports. Mr. Brunner pointed out that there was no question of curbing imports as the Italian Minister feared merely a means of getting accurate information. In the end Ministers agreed to let the Commission study various forms by which the information might be relayed to Brussels and to include them for discussion at the meeting in June.

Coking coal:

Ministers indicated in general readiness to accept prolongation of present arrangements until 1981, but to meet French reservations suggested that the question of digressions over the last two years should be decided by the Ministers in 1979. Italy expressed a waiting reserve.

Minimum selling price for oil (MSP):

Mr. Brunner said that this measure insisted upon up to now by the British delegation was designed as a safety net for protecting investments in the Community. The UK representative took note of the fact that this option among others would be coming up for discussion in June.

Euratom loans:

The UK representative Mr. Mabon said that in view of the progress made on coal, MSP and other items and in a spirit of comradely cooperation, and good will, the UK would lift its reserve on the Euratom loan scheme. The Council therefore agreed to adopt the relevant instrument to provide for Euratom loans.



FIN Amitiés

R. Ruggiero