

# ARCHIVES HISTORIQUES DE LA COMMISSION

COLLECTION RELIEE DES  
DOCUMENTS "COM"

COM (74)1960

Vol. 1974/0316

### ***Disclaimer***

Conformément au règlement (CEE, Euratom) n° 354/83 du Conseil du 1er février 1983 concernant l'ouverture au public des archives historiques de la Communauté économique européenne et de la Communauté européenne de l'énergie atomique (JO L 43 du 15.2.1983, p. 1), tel que modifié par le règlement (CE, Euratom) n° 1700/2003 du 22 septembre 2003 (JO L 243 du 27.9.2003, p. 1), ce dossier est ouvert au public. Le cas échéant, les documents classifiés présents dans ce dossier ont été déclassifiés conformément à l'article 5 dudit règlement.

In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1960 final

Brussels, 27 november 1974

## COMMUNITY ENERGY POLICY

### OBJECTIVES FOR 1985

(Communication from the Commission to the Council)

COMMUNITY ENERGY POLICY : OBJECTIVES FOR 1985

Contents

	Page
Introduction	1
I. Nature and scope of the objectives	1
II. The Objectives	4
III. Policies by sector	7
1) The demand for Energy	
(a) Conservation and the Rational Use of Energy	8
(b) Electricity consumption	8
2) The Supply of Energy	9
(a) Solid fuels	10
(b) Nuclear Energy	12
(c) Hydrocarbons	13
Annexe : Draft Council Resolution on the objectives of a Community Energy Policy.	

## COMMUNITY ENERGY POLICY

### OBJECTIVES FOR 1985

#### Introduction

Having studied the Commission's communication of 5 June 1974 entitled "Towards a new energy policy strategy for the European Community" 1), the Council decided to state its position, before the end of 1974, on quantitative objectives for the production and consumption of energy by the Community between now and 1985, on the guidelines and measures necessary for the development of each source of energy, and on the conditions required for the proper functioning of the energy market 2).

In this new communication, the Commission has set out objectives revised in the light of the Member States' own forecasts, and the principal measures necessary if those objectives are to be attained. A draft resolution is annexed which the Commission asks the Council to approve.

o

o

o

#### I. NATURE AND SCOPE OF THE OBJECTIVES

The purpose of the objectives of the common energy policy is to define the precise nature and extent of the political commitment which the Community would enter into with a view to laying down specific guidelines for its supply structure : they constitute guidelines for national policies and at the same time major indicators for Community energy producers and consumers 3).

This commitment will express itself first of all at Community level : a wide range of means can be used, in accordance with Community procedures, depending on the requirements and the nature of each objective. Over and above their direct impact, Community measures will also provide a framework within which the Member States, producers and consumers can take action to develop and extend Community measures.

./.

---

1) Doc. COM(74)550 final

2) Doc. R/2391/74 (ENER 45)

3) Councils resolution of 17.9.74, doc. R.2391/74 (ENER 45 / 3)

Furthermore, the Community's commitment should find expression in the policies of the Member States, which should be based on the guidelines adopted by the Community. To a substantial degree, the Community interest coincides with national requirements, because the benefits of greater self-sufficiency and economy in consumption are important for each of the Member States. However, when deciding upon Community objectives, Member States will have to take account of Community interests which go beyond national requirements to find the rational balance.

The full importance of the effort to achieve a balanced energy supply is illustrated by the economic consequences of the higher oil prices, which gravely threaten the standard of living and the economic and social progress of all the Community. The fact that Member States are very unequally affected exacerbates the dangers to the extent that it risks compromising the internal cohesion of the Community and its capacity to progress towards the definition of common policies.

2. Adapting to the new supply conditions requires the Community to reduce as far as possible, the scale of its energy dependence and also to diversify it.

The objective must be to create a supply structure in which no single decision-making body can have so great an influence over supplies that it could threaten the overall stability whether in terms of volume or of price.

Until this balance is attained, measures will have to be taken in the Community to deal with any interruptions in supplies which might occur. The Member States must accordingly undertake to carry out measures to ensure a fair distribution of burdens and resources in the Community.

The objectives of ensuring the long-term security of supplies should not be confused with an illusory desire for self-sufficiency. This not only seems impossible, but it would, above all, conflict with the Community's international outlook and the principles on which the Community is based.

By setting itself the goal of reducing its dependence on the outside world from 63 % to 40 % between now and 1985, the Community does not intend to weaken its relationship with the energy-exporting countries. Its effects to achieve a more balanced supply structure are linked to the attempt to create a new form of relationship which would take into account the overall economic development of those countries.

Furthermore, this attempt to reduce the Community's dependence on external supplies fits in with the efforts being made by the other major consumers to cut back demand, to husband the world's energy resources and thus to restore market stability.

By defining its own energy policy, the Community can take part in the dialogue between the main protagonists on the world market.

3. The energy policy relates mainly to energy supply problems, but it is part of a whole range of relevant Community policies : policy in the fields of the environment, scientific and technical research, transport, industrial policy, social policy, co-operation with the developing countries, and so on. No reference is made here to these problems, they are taken up elsewhere in the Commission's recent communications to the Council. The adoption of Community objectives in the energy field will give a new stimulus to the energy aspects of these policies.

As regards the policy for scientific and technical research in particular, a communication about the role of research and development in the energy field has been sent to the Council.<sup>(1)</sup> The strategic areas of action envisaged by that communication respond to the objectives of a Community policy.

4. The Council has already decided that the objectives should be subject to constant review and that it will hold periodic discussions on the progress made <sup>(2)</sup>. In this way the objectives can be flexibly adapted to the way the situation develops.

./.

---

(1) "Energy for Europe : Research and Development" Doc. SEC(74) 2592 Final

(2) Doc. R/2391/74 (ENER 45) / 10

This leads to the question of the time-span. A minimum of ten years is required if economic structures are to be changed and new investments made affecting both the production and consumption of energy. Some changes will have a more rapid impact such as consumer reactions to higher prices. Elsewhere, 1985 will simply mark the point at which the trend will have gained sufficient momentum to exert the force needed to bring about a turning point: an example of this is the construction of nuclear power-stations. The objectives can only find their full significance if they are put in a dynamic perspective in which slight time-lags may be less important than the underlying trends they foster provided the determination exists to pursue them constantly.

## II. THE OBJECTIVES

The following table gives a summary of the quantitative objectives which the Commission proposes to set itself for the period 1975-1985, and compares them with the existing supply structure: thus the scale of the effort required can be seen comparing them with the forecasts made in 1972 before oil prices rose. The projections of the Member States are a demonstration that the objectives have been drawn up consistently and taking account of the likelihood of their implementation 1). They indicate the supply structure which could be realized if the necessary decisions were taken with minimum delay and applied without intermission.

./.

---

1) Doc. R/2391/74 (ENER 45) / 7.



Total primary energy needs in 1985 1) - Community

	1973 Estimates		1985 Initial fore- casts		1985 Objectives	
	Mill.toe	%	Mill.toe	%	Mill.toe	%
Solid fuels	227	22.6	175	10	250	17
Oil	617	61.4	1160	64	600-650	41-44
Natural gas	117	11.6	265	15	340-290	23-20
Hydroelectric and geothermic power	30	3.0	40	2	43	3
Nuclear energy	14	1.4	160	9	242	16
TOTAL	1005	100	1800	100	1475	100

1) Internal consumption + exports + bunkers

2) Source : "Projects of primary energy demand in the Community (1975-1980-1985) (doc. SEC(72) 3283 final), and an additional estimate made in January 1973 for the new Member States (doc. SEC(73)128).

In practical terms, the objectives will mean the following for demand on the one hand and for energy supply on the other.

./.

1. Energy demand

- A. Restrict the long term growth rate of internal consumption to 3.5 % per annum instead of 5 % as originally planned, and fix according to circumstance particular objectives for the economy of energy in the shorter term.
- B. In parallel with the development of nuclear energy, promote a progressive increase in electricity consumption, so that this form of energy represents 35 % of the energy consumption in 1985 (25 % in 1973).

2. Energy supply

Reduce dependence on imported energy to approximately 40 % (63 % in 1973).

A. Solid fuels

- Maintain the level of Community coal production in absolute terms (170-180 mtoe in 1985).
- Increase the openings for coal imports from non-member countries ( 35 to 40 mtoe in 1985).
- Raise brown coal and peat production to 30 mtoe.

B. Natural gas

- Step up Community production (land and underwater deposits) to obtain at least 195 mtoe, and if possible 225 mtoe, in 1985.
- Secure imports of 95-115 mtoe from non-member countries.

C. Nuclear energy

- Install power stations with capacity of 200 GWe by 1985, supplying almost half of the electricity generated in the Community.

D. Hydroelectric and geothermic power

- Establish and develop sites for the production of hydroelectric and geothermic power to raise their contribution to the overall energy supply to 43 mtoe (30 mtoe in 1973).

E. Oil

- Limit oil consumption where it can be replaced economically by other sources of energy.
- Increase production by Member States in the North Sea to obtain 180 mtoe by 1985 at latest.
- Reduce imports of oil from non-member countries to 420 - 470 mtoe, about 30 % of total energy requirements (61 % in 1973) or 70 to 72 % of oil consumption (98 % in 1973).

F. Other sources of energy

- Ensure, by a policy for technological research and development a better utilization of the traditional forms of energy and their replacement by new sources of energy in the long term 1).

./.

---

1) This point, which was discussed in the Commission communication to the Council entitled "Energy for Europe : research and development" (SEC (74) 2592 final) is mentioned here for the record and no further reference will be made to it in this document.

It is impossible to construct an accurate profit and loss account for achieving these objectives. But if there are obvious obstacles to be overcome to achieve these objectives, obstacles evidenced by difficulties more or less marked according to the member country concerned, it still remains that, for the whole European economy, the plan proposed is not only possible but necessary.

In effect, it is a question of deciding between a policy centred on investment and all other policies giving more importance to imports. Now the cost of imports is such that one may sustain the argument according to which, even in the fairly brief period under consideration, all investment expenditure meant to ensure a lesser energy dependence means a gain, in balance of payment terms, of an amount several times greater.

### III. SECTORAL POLICIES

To achieve these objectives, the Community and the Member States must implement specific measures for each source or form of energy. These measures are described in detail in the various Commission communications to the Council<sup>1</sup>; in some cases as proposals for Council resolutions, directives or regulations on which the Council is asked to decide.

Without going into detail on the measures described in those documents, the indented paragraphs of this chapter set out the choices, and the basic commitments, which the Community and the Member States must make in order to achieve the objectives.

./.

---

<sup>1</sup> Community programme of action for the rational utilization of energy (doc.  
-A Community policy for hydrocarbons (doc.  
-Medium-term guidelines for coal (doc.  
-Medium-term guidelines for electricity (doc.  
-A Community supply policy for nuclear fuel (doc.

1. Demand

A. The rational use of energy and energy savings

The sudden increase in the cost of energy has already cut back the growth of demand and if prices remain high they could continue to brake consumption.

By itself, this price effect - which in fact could diminish in time - will not be enough to restrain the increase in demand for oil and to redirect consumption towards alternative sources of energy. Promoting the rational use of energy will also require more determined action.

Apart from the efforts of Member States, this action should be at Community level whenever there is a possibility that the free movement of goods or the free play of competition within the common market could be jeopardised. This Community approach is also required for efficiency reasons, to prevent the success of one country's efforts being compromised by the inaction of another; it is in the interests of all to reduce the overall pressure of oil imports on the balance of payments and its effect on the economic equilibrium of the Community. Finally, it is justified because individual measures by the States, however important they may be at national level, have only a limited impact on the world energy market and are not on a scale to influence it.

A programme for rational use of energy is adopted, whose result will be a reduction in consumption of 15% compared with earlier forecasts for the Community as a whole and over a period of ten years, without endangering the objectives for economic and social development. This programme is to be achieved, on the one hand, by co-operation of Member States in the exchange of information and experience and rigorous analysis of problems and, on the other hand, by the co-ordination - and as far as necessary by the harmonization - of national measures, at least to the extent necessary for the functioning of the common market. In addition, important results for the economy of energy could be obtained by Community research and development actions, and technical innovation.

B. Consumption of electricity

The economic advantages of electricity and security of supply it offers, should speed up its development, particularly for the heating of premises, industrial thermoelectric uses and transport.

Such growth in demand, however, must not come about at the expense of the overall energy balance by increasing dependence on oil products: it must relate to the rate of development of nuclear energy in electricity generation, and thus progressively reach a higher rate of growth than past trends starting from the early eighties.

Until that time, the inherent features of electrical energy and likely cost trends (in real terms) means that, whatever change there may be in the factors influencing demand, the demand for electricity will grow faster than energy consumption overall.

Furthermore, the measures which may have to be taken to promote increased consumption should not inhibit producers from financing the heavy investments required, particularly those for nuclear power stations. In the immediate future, this means that it will be necessary to adjust the level of returns in relation to long-term costs.

The rate of growth of electricity consumption will not be speeded up so long as it could mean increasing the use of hydrocarbons in thermal power stations, but the stimulus to faster growth will be applied progressively as the contribution of nuclear energy and solid fuels reduces dependence on hydrocarbons. This encouragement will take account of the need to ensure the financing of investment in the electricity sector.

## 2. Energy supplies

The Member States use differing energy resources in so far as their state of development and economic characteristics differ.

From a purely quantitative point of view, as large a supply as possible of these resources is of major importance in reducing the Community's dependence on imported energy. It is essentially the weight of effort used in production of coal, hydrocarbons and especially nuclear energy in the Community which will determine the balance of requirements to be covered by oil imports.

In certain cases, Community support will be needed to accelerate the development of these resources, to protect them against the risks of the economic situation and finally for the contribution to security of supply. These measures should not, however, lead to economically unjustifiable energy supply in the long-term.

To create a reference framework to allow the companies to give direction to their initiatives and investments, the Community should periodically establish objectives for the development of these resources.

The energy resources of each Member State shall be developed as quickly as possible under satisfactory economic conditions, taking into account the needs of the Community, with the object of reducing energy dependence. This may mean Community support in certain cases. Independently of the measures taken for each particular energy source, a general energy programme for the Community will be established periodically by the Commission, defining long-term policy for production and exploration and relating to investments for every facet of these activities.

#### A. Solid fuels<sup>1</sup>

The increase in oil prices since October 1973 means that a large proportion of Community coal production has become competitive with other fossil energies.

---

<sup>1</sup> Brown coal and peat are produced only in two Member States and are not involved in any major intracommunity trade. The conditions governing their extraction and utilization mean that they are of primary importance in electricity generation. If the policy of the Member States concerned complies with the objectives stated above, see page 6, 2.A., there should be no need for Community-level measures covering these energy sources.

The maintenance of this situation, however, will only be possible if considerable obstacles are overcome: the difficulty of improving productivity, the time required to develop new production capacity, the need to guarantee an economic return on the major investments which will be required, and the time needed for recruiting and training the necessary manpower.

The steel industry is and will long remain a specific sector for the use of coal. The field in which coal may replace large quantities of hydrocarbons, under acceptable cost conditions, is power stations; this use is to be encouraged. The increased capacity for conventional power stations should be reserved for coal, on the understanding that appropriate measures would guarantee competitive supply conditions to the commercial users of Community coal.

The present level of Community coal production will be maintained by measures which ensure outlets in major consuming sectors, i.e., steel and power stations. This also means that measures must be adopted to facilitate the financing of investment in the coal industry, together with a pricing policy to enable public aid to be reduced or even eliminated as far as possible: increased revenue for the undertakings will enable them to cover these costs and - in part at least - to renew and extend their installations. An appropriate manpower policy in the coal-producing Member States will make it possible to recruit and train skilled workers.

Part of the potential market for coal in the Community will be open to imports from non-member countries, to the extent that the Community coal industry is not able fully to meet the demand under equally favourable conditions. These imports which may well be in greater quantities than at present, should meet the criteria of long-term security. Although they may not be available for some considerable time yet, the scale of coal reserves outside the Community (particularly in countries which can help to diversify the origin of supplies) and <sup>the</sup> probable development of cost trends give reason to expect that the world market will, in time, meet the growth in demand by consumers in the Member States.

./.

In applying the conditions of the CECA Treaty, the commercial policy for coal remains in the domain of the Member States. Certain of the States are completely open to imports from third countries, others control them more or less to a large extent. The objective - of the maximisation of resources of coal - makes it necessary to co-ordinate commercial policies, while taking into account the different situations within the Community.

Progressively, and depending on how far the internal production objective is attained, all coal consumers in the Community will have free access to the world market at acceptable prices and with assured security of supply.

B. Nuclear energy

Nuclear energy is of crucial importance to any improvement in the structure of energy supplies, and it is in this sector that the greatest efforts will be needed to achieve the common objectives.

It is now unquestionably competitive with fossil fuels for the generation of electricity. Its expansion will depend on the adoption of convincing, carefully planned and firmly executed programmes spread over a sufficiently long period;

Such programmes would remove any remaining capacity constraints in industries manufacturing nuclear components, and ensure the availability of qualified staff. A close watch should be kept on their progress to prevent apparently minor short-term delays from bringing about much more serious time-lags in the longer term.

In co-operation with all interested parties, the Commission will establish annual nuclear construction programmes which will give the governments guidelines for the definition of their national policies and to Community industry the necessary framework of reference.

The problems of nuclear energy as regards public safety and environmental protection are very properly of increasing importance in the public mind. These problems transcend national frontiers because of their very nature. Therefore public concern, must find a response at the Community level as



well as at the level of the national authorities.

Member States' programmes for electricity generating plant will henceforth, in addition to the contribution from solid fuel stations, be based on nuclear power from large capacity stations. These programmes must in the interests of the whole of the Community, be determined in such a way as to ensure the best siting for nuclear power stations; and will take account, as for other energy sources, of the safety of the population and environmental protection.

The construction of nuclear plant wherever the power stations are actually located, will contribute to achieving the Community objectives and a common effort is required which may then demand Community participation in the costs for certain Member States.

The nuclear construction programme is not confined to the building of power stations: it must also ensure that they receive regular fuel supplies from reliable sources and on acceptable economic terms. This applies to natural uranium as well as to enriched uranium, and in both cases decisions must be taken without delay to ensure that the long-term requirements are covered.

The nuclear programme mentioned above (p. 12) will in particular define future Community needs for nuclear fuels. As regards access to nuclear fuels, the Community

- encourages the identification, development and valorisation of indigenous resources;
- will develop a consultation process with Third Countries about exploration, development and the valorisation of their resources.

Stockpiling by producers, users and eventually the Member States and the Community will be made the object of discussions and if necessary action at Community level.

### C. Hydrocarbons

Whatever happens, oil and gas will remain for a long time to come very important sources of energy for the Community. In addition, the obstacles or delays which the realisation of objectives could encounter will result in an increase in oil consumption.

Thus the Community must provide itself with a hydrocarbons supply policy which will ensure stable supplies, both in terms of quantity and of price. In other words, the Community should define in a flexible manner adapted to the circumstances of the day, the kind of relationships it is intended to establish with the Community's suppliers, whether they be the producing countries or the industry. Eventhough, in certain respects, specific and different actions necessarily apply to oil and natural gas, the basic guidelines which are the reason for a common policy are similar for the whole hydrocarbons sector.

The Community's supply policy finds it's place within a co-operation with the exporting countries and with the other importing countries; and rests on regular, standardized exchanges of information, and on a flexible but wide-ranging consultation between public authorities, and between public authorities and the industry itself; and finally, where necessary, on the means of action.

The policy implies in essence:

- the rational use of available resources;
- the rapid development of existing resources in the Community;
- an external supply which is diversified and sure;
- a policy for prices for consumers based on transparency;
- a searching after a better use of existing or proposed investments in the Community;
- measures to ensure, in case of difficulties, the balanced supply of the Community market and the maintenance of it's unity.

DRAFT COUNCIL RESOLUTION: ON THE OBJECTIVES OF A  
COMMON ENERGY POLICY

---

The Council,

Having taken note of the Commission's communication of the November 1974  
"A Community energy policy - Objectives for 1985" (1);

Considering the resolution it adopted the 17th September 1974 (2);

Considering that the implementation of a community energy policy implies that quantitative objectives in common be developed, which represent the guidelines for national policies and, at the same time, the guidelines for the producers and consumers of energy in the Community (3);

Considering that the continuation of a high degree of dependance for the Community vis-à-vis energy imported from third countries, and especially oil, would compromise, under present and likely future circumstances on the world market, the economic balance of the Community and economic and social progress; and that therefore it is necessary to reduce as much as possible this dependence;

Considering the outlook for the various sources of energy for the realisation of this objective, taking account of the time taken to introduce them, of their potential long term contribution; of the economic conditions which must be associated and of the necessity of ensuring the protection of the environment(4);

\*1. Approves for the period 1975-1985, the following objectives held in common for an energy policy:

./.

- 
- (1) Doc.
  - (2) Doc. R/2391/74 (ENER 45)
  - (3) Doc. R/2391/74 (ENER 45), \* 3
  - (4) The Council's resolution of the 7 November 1974 on energy and the environment (Cf. Doc. R/2788/74 (ENV 128) (ENER 48)

1. Energy demand

- A. Restrict the long term growth rate of internal consumption to 3.5% per annum instead of 5% as originally planned: and fix, according to circumstance, particular objective for the economy of energy in the shorter term.
- B. In parallel with the development of nuclear energy, promote a progressive increase in electricity consumption, such that this form of energy represents 35% of energy consumption in 1985 (25% in 1973)

2. Energy supply

Reduce dependence on imported energy to approximately 40% (63% in 1973)

A. Solid fuels

- Maintain the level of Community production in absolute terms (170-180 mtoe in 1985).
- Increase the openings for coal imports from non-member countries (35 to 40 mtoe in 1985).
- Raise brown coal and peat production to 30 mtoe.

B. Natural gas

- Step up Community production (land and underwater deposits) to obtain at least 195 mtoe, and if possible 225 mtoe, in 1985.
- Secure imports of 95-115 mtoe from non-member countries.

C. Nuclear energy

- Install power stations with capacity of 200 GWe by 1985, supplying almost half of the electricity generated.

D. Hydroelectric and geothermic power

- Establish and develop sites for the production of hydroelectric and geothermic power to raise their contribution to the overall energy supply to 40 mtoe.

E. Oil

- Limit oil consumption where it can be replaced economically by other sources of energy
- Increase production by member States in the North Sea to obtain 180 mtoe by 1985 at the latest
- Reduce imports of oil from non-member countries to 420 - 470 mtoe, which is to say around 30% of total energy needs (61% in 1973).

F. Other sources of energy

- Ensure, by a policy for technological research and development a better utilization of the traditional forms of energy and their replacement by new sources of energy in the long term.

- \*2. Asks that member States take account of these Community objectives when formulating their supply policies;
- \*3. Expresses its willingness to use the following methods of achieving these objectives:

I. For energy demand:

- A. A programme for the rational use of energy and for the economy of energy in use is adopted, whose result is to be a reduction in consumption of 15% compared to earlier forecasts for the Community as a whole and over a period of ten years; while ensuring that this does not endanger objectives for economic and social development. This programme is to be achieved, on the one hand, by the co-operation of member States in the exchange of information, experience and studies of the problems and, on the other hand, by the co-ordination - and as far as necessary by the harmonization - of national measures, at the least to the extent necessary for the functioning of the common market.

In addition, important results for the economy of energy could be obtained by community research and development actions and technical innovation.

- B. Trends in electricity consumption will not be accelerated where this could lead to an increased use of hydrocarbons in thermal power stations, but the stimulus to faster growth will be applied as soon as the contribution of nuclear and solid fuels reduces dependence on hydrocarbons. This encouragement will take account of the need to ensure the financing of investment in the electricity sector.

II. For Energy supplies

- A. The energy resources of each of the member States will be developed as quickly as is consistent with economically satisfactory conditions, taking account of the Community's needs and the objective of a reduction in its dependence for energy supply. This could require, in certain cases, measures of community support.
- B. Independently of the measures to be taken for each individual source of energy, an indicative programme will be periodically drawn up for the Community by the Commission, to define guidelines for production and exploration in the long term and covering all the investments implied by such activities.

- \* 4. Approves the following as the guidelines to be followed whether at the national or at the Community level, for each source of energy:

I. Solid Fuels

- A. The présent level of coal production in the Community will be maintained, in particular by measures to ensure outlets in the principal consuming sectors - steel and power stations. This also means that measures must be adopted to facilitate the financing of investment in the coal industry, together with a pricing policy to enable public aid to be progressively reduced or even eliminated as far as is possible; increased revenue for the undertakings will enable them to cover these costs and - in part at least - to renew and extend their installations. Manpower policy in the coal-producing Member States will make it possible to recruit and train skilled workers.
- B. Progressively, and depending on how far the internal production objective is attained, all coal consumers in the Community will be assured free access to the world market at acceptable prices and security of supply.

II. Nuclear Energy

- A. In co-operation with all the parties concerned, the Commission will establish an annual indicative nuclear construction programme which will give governments guidelines for the development of national policies and Community industries the context they need.
- B. Programmes for electricity generating plant will be based henceforth on nuclear energy for large-capacity power stations, except for the scope it is possible to give to power stations burning solid fuels.

These programmes will set out to ensure a better distribution of nuclear power stations throughout the territory of the Community, taking account, as for other sources of energy, of the security of the population and the protection of the environment.

The indicative programme described above will, in particular, define the future needs of the Community for nuclear fuels.

As regards access to nuclear fuels, the Community

- encourages the identification, development and valorisation of indigenous resources;
- will develop a consultation process with Third countries about exploration, development and the valorisation of their resources.

Creating stocks held by the producers, the users and eventually by the Member States and by the Community, will be considered by a consultation process leading, if necessary, to action at the Community level.

### III. Hydrocarbons

The Community's supply policy finds its place within a co-operation with the exporting countries and with the other importing countries; and rests on exchanges of information, and on consultation between public authorities, and between public authorities and the industry itself; and finally, where necessary, on the means of action.

The policy implies in essence:

- the rational use of available resources;
- the rapid development of existing resources in the Community;
- an external supply which is diversified and sure;
- a policy for prices for consumers based on transparency;
- a searching after a better use of existing or proposed investments in the Community;
- measures to ensure, in case of difficulties, the balanced supply of the Common Market; and the maintenance of its unity.

- \* 5. Takes note that the Commission will report back to it for the first time on the 30th June 1975, on the progress made towards realising the Community objectives and in particular on the measures taken at the national or community level (1).
- \* 6. Takes note that the Commission will submit to it proposals for the implementation of this present resolution.

---

(1) cf. The Council's Resolution of the 17 September - Doc. R/2391/74 (ENER.45) para.10.