

# European Communities

---

EUROPEAN PARLIAMENT

## Working Documents

1974-1975

---

10 March 1975

DOCUMENT 522/74

### Report

drawn up on behalf of the Committee on Energy, Research and Technology

on the communication from the Commission of the European Communities to the Council (Doc. 455/74) containing new proposals concerning the revision of the multiannual research and training programme of the Joint Research Centre and new activities for the Petten establishment

<sup>11</sup>  
Rapporteur: Mr G. FLÁMIG



By letter of 17 January 1975 the President of the Council of the European Communities consulted the European Parliament, pursuant to Article 235 of the EEC Treaty, on the communication from the Commission of the European Communities to the Council containing new proposals from the Commission of the European Communities to the Council for decisions concerning the revision of the multiannual research and training programme of the Joint Research Centre and new activities for the Petten establishment.

The President of the European Parliament referred this communication to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on Budgets for its opinion.

On 11 February 1975 the Committee on Energy, Research and Technology appointed Mr Flämig rapporteur.

It considered this communication at its meeting of 3 March 1975.

At the same meeting the committee adopted the motion for a resolution and the explanatory statement unanimously with 1 abstention.

Present: Mr Springorum, Chairman; Mr Leonardi, vice-chairman; Mr Flämig, rapporteur; Lord Bessborough, Mr Covelli, Mr Giraud, Mr Hansen (deputizing for Mr Nørgaard), Mr Jakobsen, Mr Krall, Mr Lautenschlager, Mr Leenhardt, Mr Martens (deputizing for Mr van der Gun), Mr Willi Müller, Mr Ney, Mr Noè, Mr Schmidt (deputizing for Mr van der Hek), Mr Vandewiele and Mrs Walz.

The opinion of the Committee on Budgets is attached.

C O N T E N T S

	<u>Pages</u>
A MOTION FOR A RESOLUTION .....	5
B EXPLANATORY STATEMENT .....	7
I. Context .....	7
II. Content of the proposals .....	8
III. Conclusions .....	13
Opinion of the Committee on Budgets .....	14

A

The Committee on Energy, Research and Technology hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the communication from the Commission of the European Communities to the Council containing new proposals for decisions concerning the revision of the multiannual research and training programme of the Joint Research Centre and new activities for the Petten establishment.

The European Parliament,

- having regard to the communication from the Commission of the European Communities to the Council (COM(74) 2200 final),
  - having been consulted by the Council (Doc. 455/74),
  - having regard to its previous resolutions on Community research within the framework of the JRC and in particular that relating to the first proposals from the Commission to the Council concerning the revision of the multiannual research programme<sup>1</sup>,
  - having regard to the report of the Committee on Energy, Research and Technology and the opinion of the Committee on Budgets (Doc. 522/74),
1. Notes with satisfaction that, in accordance with a recommendation made many times by the European Parliament, the Commission has presented comprehensive and homogeneous proposals likely to provide systematic solutions to all the present problems of the Community research undertaken in the JRC;
  2. Recalls that it had already approved the multiannual programme and the principle that it should be revised;
  3. Notes that the proposals for the revision of the multiannual programme are essentially the same as the earlier proposals which it had approved;

---

<sup>1</sup> OJ C 93, 7 August 1974

4. Stresses that it had itself already requested both the reassessment of the financial allocations for the programme and the inclusion of a specific allocation for the preparation of future programmes and therefore approves the relevant proposals;
5. Welcomes the fact that the Commission's proposals provide, in particular for the Petten establishment to be finally entrusted with the implementation of a research programme;
6. Welcomes the setting up of a group of experts to ensure cooperation between the JRC and those sectors of industry and national research institutes particularly affected by these research projects, and hopes that such cooperation will enable significant and successful research results to be obtained;
7. Considers that the setting up of an unallocated financial reserve in the research budget is a necessary development and will avoid the need in the future to have recourse to supplementary budgets;
8. Expresses the hope that implementation of the Commission's proposals will give a new stimulus to Community research undertaken in the JRC.

EXPLANATORY STATEMENTI. Context

1. The JRC programme for 1973-1976, as laid down by the Council on 14 May and 18 June 1973, provided for a review of all research work at the beginning of the second year.

At the same time, as the Council of Ministers had been unable, in February 1973, to approve the Commission's proposal to close the Petten establishment, it asked for appropriate proposals for a new programme for Petten to be submitted. In the meantime, the Commission was to prevent the rundown of Petten.

2. In implementation of these decisions, the Commission submitted to the Council in April 1974 an initial project for the revision of the multiannual programme and a new programme for the Petten establishment.

Our committee was asked to report on these proposals (report by Mr Flämig - Doc. 161/74). The explanatory statement indicated in particular (paragraph 18) that the committee 'sets great store by not only the maintenance of the Petten establishment but also an increase in its activities and expects the Commission to allocate further projects to it at the latest within the framework of a second revision of the multiannual research programme.'

3. In fact, the Petten establishment met with a completely different fate. No agreement could be reached as regards future work at Petten. The matter was already held up at the level of the Council's preliminary planning bodies, in this case the Working Party on Atomic Questions. At the same time, the 1974 revision of the multiannual programme never went beyond the proposal stage.

4. Our committee can only deplore this situation, in which the interests of Community research have once again been disregarded.

The indecision and lack of political courage on the part of the Council were also to be apparent in another area, namely the problem of the budgetary allocation for the programme. Since the Council decisions of May and June 1973 it had been found that the overall budget provided for the implementation of the multiannual programme was inadequate, as a result, in particular, of the unexpectedly rapid change in economic conditions and the requirements which had become apparent in the meantime (preparation of future programmes, safety of the Ispra installations).

5. Having regard to these developments, in July 1974 the Commission submitted proposals for the reassessment of the overall budget. Here again the Council took no decision and merely referred the problem back, asking the Commission to submit new proposals.

6. This attitude on the part of the Council led our committee (in its opinion PE 38.298/fin. submitted by Mr Cointat on the budget of the Communities for 1975) to recommend the reinstatement of an appropriation of 1.244 m.u.a. to ensure the safety of the JRC installations and a transfer of 13.781 m u.a. from Chapter 98 'non-allocated provisional appropriation' to Chapter 33 to allow the research work to progress normally throughout 1975. Our committee considered that this last amendment to the 1975 budget should under no circumstances serve as a pretext for delaying the revision of the financial ceilings of the programme. It considered that this should take place before the 1976 budget was prepared.

7. In referring more particularly to the fate of the Petten establishment, our committee stated that the Petten centre must be retained for Community research and demanded that the existing uncertainty should be removed once and for all.

## II. Content of the proposals

8. Because of the Council's indecision, the Commission was obliged to re-examine the whole problem with a view to submitting new proposals. It is the result of this complete re-examination which has now been submitted to our committee. This new collection of proposals covers in succession the five aspects mentioned above, namely:

- a new programme for the Petten establishment;
- partial revision of certain objectives in the programme;
- setting up a reserve fund to meet an increase in staff costs;
- entry of the necessary appropriations for the preparation of future research programmes;
- reassessment of the financial allocations for the various objectives of the programme

### (a) New programme for the Petten establishment

9. This is defined in two proposals for decisions by the Council laying down :

- firstly, a research programme on high-temperature materials;



- secondly, a research programme in the field of organic products to be added to the work on standards and reference substances which has already been decided on.

10. The first objective comprises basic research on refractory materials, applied research on materials for industrial applications at high temperatures, especially for the manufacture of circuit and heat-exchanger components for new applications of high-temperature nuclear heat (see page 19 of the Annex to Doc. COM(74) 2200 final).

The maximum figure provided for this new activity is 3.987 m u.a. Between now and the end of 1976, and following various transfers of Isora staff to Petten, operations which are as complex as they are administratively delicate, the Commission proposes to allocate 50 staff to this programme.

Without wishing to cast doubt on the usefulness of such a programme, our committee would like the Commission to state how and why it arrived at the present programme, following its earlier proposals which were completely different in content.

11. The research programme on organic materials comprises technical assistance to the Commission's departments in the elimination of technical obstacles, and in relation to the Common Customs Tariff.

A maximum of 1.399 m u.a. is allocated to this objective, the implementation of which requires a staff of 20.

This second activity for Petten already formed part of the Commission's previous proposals, which our committee had endorsed.

12. In regard to budgetary matters and staffing, our committee recalls (without wishing to comment either on the amounts of 3.987 and 1.399 m u.a., or on the figures of 50 and 20 staff proposed by the Commission) that the Council and the European Parliament had expressly asked for new proposals for a Petten programme. In proposing new activities for the Petten establishment, as well as the necessary appropriations and personnel, the Commission has therefore merely drawn the logical conclusions from the attitudes expressed by the Council and the European Parliament.

(b) Revision of certain objectives in the multiannual programme

13. We have already pointed out that, for budgetary reasons in particular, the Council had taken no action on the Commission's April 1974 proposals relating to a revision of the multiannual research programme.

14. Taking advantage of the updating of the whole of the JRC file, the Commission now introduces its proposals for a revision. Their technical content is the same as in the original file, with the exception of the item on 'training', for which the proposal to organize summer courses has been abandoned. The form of the texts has been updated to take account of the progress of the work since they were drawn up. Finally, the financial data have been corrected and brought into line with the figures resulting from the reassessment of the financial allocations.

15. The proposals relate to the following research activities:

- waste processing and storage - reactor safety - remote sensing of the earth's resources - training - thermonuclear fusion - hydrogen production - shutdown of the Ispra I reactor.

With the exception of the shutdown of the Ispra I reactor, the proposals are aimed at strengthening the above research activities in these areas.

16. In adopting the report submitted by Mr Flämig on behalf of our committee (Doc.161/74), the European Parliament had noted with some reservations its agreement in principle to the initial proposals for revision. To the extent that these same proposals have now been resubmitted for our examination, our committee can support them. It regrets, however, that within the space of one year the Commission has not considered it useful to further intensify research in the energy sector.

(c) Setting up a financial reserve

17. In order to avoid in the future the budgetary difficulties caused either by the annual review of staff remuneration, or by changes to the staff regulations affecting some of the staff, the Commission proposes to set up a non-allocated financial reserve of 5m u.a.

In the introductory statement on its proposals, the Commission states (page 12) that 'it appears necessary to provide this additional amount as a contingency to cover any financial implications resulting from the adoption of the new staff regulations for staff paid from research and investment appropriations and the consequences of certain Council Decisions regarding remuneration.'

18. Having regard to these arguments and in a desire to avoid the use of supplementary budgets as far as possible, our committee records its agreement to the principle of setting up a financial reserve. It will be a matter for the Committee on Budgets to comment in its opinion on the aspects of budgetary procedure associated with such a financial reserve.

(d) Preparation of future programmes

19. The Commission proposes that for 1975 and 1976 the sum of 1.2m u.a. should be entered in the budget and allocated to the financing of activities for the preparation of future programmes.

20. The creation of a budgetary entry to finance studies for the preparation of future programmes had already been requested by our committee in its opinion on the 1975 budget (PE 38.298/fin.).

It was obvious to our committee that if a new research programme was to take over at the beginning of 1977 from the present programme, studies and surveys about the possible content of this future programme must be undertaken immediately.

(e) Reassessment of the financial allocations for the multiannual programme

21. At the time of the assessment of the allocation for the multi-annual programme (that is the end of 1972), an average annual rate of increase of 6% was adopted. On this basis, the allocation was 178 mua

Since then it has been found that the changes in economic conditions have meant that this figure is quite inadequate, to such an extent that, following the research budgets for 1973, 1974 and 1975, the remaining appropriations will now allow completion of the multiannual research programme in 1976.

22. When the Committee of Permanent Representatives examined the 1975 budget, it recognized that there was an obvious problem since the appropriations were inadequate for the complete implementation of the multiannual programme. According to Coreper, this problem, which had already been pointed out at the adoption of the budgets for the 1973 and 1974 financial years must be resolved as soon as possible, in particular to avoid the JRC being unable to complete its present task in 1975, and therefore in 1976 (page 3, R.2368/74).

23. In its turn, our committee had emphasized in the opinion submitted by Mr Cointat on the 1975 budget that 'if the multiannual programme is to be carried out in full and tangible results are to be achieved, the reassessment of the financial ceilings laid down at the beginning must be decided as a matter of urgency. In any case this should be done before preparing the 1976 budget' (page 10, PE 38.298/fin.)

The reassessment of the overall budget of the multiannual research programme, which has been proposed by the Commission, meets this need. Under these proposals, the allocation should be raised from 178.7m u.a. to 215m u.a., an increase of 36.3m u.a.

24. Our committee wishes to emphasize once again that such a measure is absolutely essential if Community research is to be given the funds appropriate to its objectives.

It is not in a position, however, to make a judgment as to the value of the 36.3m u.a., and even less in regard to the distribution of this sum between the various research activities (as shown by the table on page 7, Doc.COM(74) 2200 final/Technical Annexes).

### III. Conclusions

25. The Committee on Energy, Research and Technology emphasizes the value of an attempt to achieve a comprehensive and logical settlement of the various problems associated with the multiannual research programme. Such an approach to the problems is in accordance with the wishes expressed on several occasions by our committee and by the European Parliament.

Greater efforts towards rationalization in the presentation of the proposals would have been useful, however, to enable their content to be understood more quickly and more clearly.

26. As for the proposals for decisions themselves, the Committee on Energy, Research and Technology emphasizes their value in that they provide a satisfactory answer to real problems.

27. The implementation of these solutions, associated with the efforts towards reorganization and revitalization which are at present under way at the JRC<sup>1</sup>, may form the basis for a new start in Community research. Such, anyway, is the hope of our committee.

---

<sup>1</sup> See report on progress needed in the field of Community research; assessment of the activities of the JRC during the period 1958-72 PE 39.106/fin.

OPINION OF THE COMMITTEE ON BUDGETS

Draftsman for the opinion : Mr Alain TERRENOIRE

On 3 February 1975 the Committee on Budgets appointed Mr Alain Terrenoire draftsman for an opinion.

It considered the draft opinion at its meeting of 24 March 1975 and adopted it unanimously.

Present: Mr Aigner, acting chairman; Mr Terrenoire, draftsman; Mr Durand, Mr Früh, Mr Gerlach, Mr Lagorce, Lord Lothian, Mr Notenboom, Mr Pêtre, Mr Radoux, Lord St. Oswald (deputizing for Mr Kirk).

### Preliminary remarks

1. Before examining the details of the proposal under consideration, your draftsman considers that it is appropriate to look at the background against which it was drawn up and to comment on those particular aspects of research and investment outlay which are of primary interest to the Committee on Budgets.

### Importance of research in the context of the European Communities

2. The effects of the energy crisis which arose a year and a half ago have not yet fully worked their way through the economies of the Community. Already, however, the adverse impacts on the industrial, commercial and social sectors of the Member States are grave. These aspects were considered when the opinion<sup>1</sup> on the proposal for revision of the multi-annual research programme was adopted by this committee on 2 July 1974.

3. In the longer term, the energy-related problems have serious implications for economic growth and expansion. The difficulties are so vast and the economies of the Nine are now so inter-related that a common Community-scale approach is needed to cope with what is a problem common to all Member States - the securing of adequate and reliable energy supplies.

4. A coherent and unified Community research programme is required which will be concerned not only with fuel and energy matters but also with the associated spheres of safety and health aspects, conservation, new materials and so on. The future wellbeing of Europe could turn, to a considerable extent, on these matters being tackled in an effective multiannual framework which ensures (i) a coordination of effort, (ii) the mobilisation of adequate resources of both funds and technical personnel, (iii) smooth interchange of information, and (iv) continuity of effort. Moreover, a practical and sustained exercise of joint action in this work would help to strengthen the sense of Community solidarity. As recently as the January 1975 plenary session, Parliament stressed its concern regarding the need for a comprehensive approach when it adopted a resolution calling on the Commission, inter alia, to 'submit a proposal for the framing of a common energy policy which will also take all the fiscal aspects into account'<sup>2</sup>.

---

<sup>1</sup> PE 37.472

<sup>2</sup> Doc. 401/74 drawn up by Mr PETRE on behalf of this committee regarding the harmonisation of the excise duties on mineral oils.

Relative significance of Community outlay on research and investment activities

5. It would be useful to set the outlay on research and investment activities in the budgetary context. For 1974, the expenditure appropriations in respect of chapter 33 outlay on research and investment was equivalent to about 1½% of the total budget; this was about two-thirds of the amount for the production refunds in respect of cereals, or about one-third of the appropriations in respect of olive oil, or about one-sixth of the appropriations for skimmed milk.

Thus, while the outlay on research and investment in the Community is not inconsiderable, it is not, on the other hand, a highly significant element in the total budget, being dwarfed by other beneficiaries of Community aid. Your Draftsman considers that, to say the least, the share of the budget of the Communities which has been devoted to research and investment would seem to be conservative in all the circumstances.

Is enough being done in the research sphere?

6. The adequacy of the Community effort in this domain is a matter which falls to be considered in the present context. Taking an overall view and having regard to (i) the outcome of budgetary effort in this aspect of expenditure over recent years, and (ii) the results of on-the-spot consideration by European Parliament delegations - on which the Committee on Budgets was represented - at different research establishments, your Draftsman tends to the view that outlay at the Community level on research borders on the inadequate. The position was succinctly summarised by the Economic and Social Committee in the comment '..... the further development of nuclear energy has confronted the Community with so many far-reaching tasks and problems that it would have been advisable to take research to an increasing extent out of the national sphere and put it on a Community basis, thus allowing optimum rationalisation. The Community's multiannual nuclear programme is a rather modest one measured against the tasks and the considerable nuclear R and D expenditure at the national level'<sup>1</sup>.

---

<sup>1</sup> Paragraph 1.2 of the E & SC opinion on the proposal for the revision of the multiannual research programme. OJ No. C 16, 9 23.1.75 p.2



### Commission's presentation of research proposals

7. At this point your Draftsman thinks it right that he refer to the criticisms, made by the committee in the past<sup>1</sup>, regarding the exceedingly complicated layout of proposals regarding research. This avoidable complexity makes the work of parliamentarians more difficult and hampers the Community taxpayers' appreciation of the worth of such Community schemes. An exception is the useful document 'Energy for Europe: Research and Development'<sup>2</sup> which sets out, in a readily assimilable fashion, the problems and possible programmes in this sphere. The budgetary data was - perhaps of necessity - on the brief side. Many more documents on these lines are needed to make the background to Community budgetary outlay clearer to the European public.

### Control of expenditure in the sphere of research

8. A brief summary of the control exercised over expenditure in the sphere of research would be useful, at this stage, as it is reasonable to examine how past appropriations were spent and accounted for when we are considering new proposals in the same domain.

9. Articles 93-103 of the financial regulation of 25 April 1973 applicable to the general budget of the European Communities lay down, in considerable detail, the special provisions applicable to research and investment appropriations; these are mainly reflected in the elaborate Volume 5 of the budget of the European Communities which, in a text running to over 330 pages, gives an exhaustive breakdown of particulars relating to revenue and expenditure connected with the research and investment activities.

10. A further element of information is provided by the quarterly reports prepared by the Commission of the European Communities in accordance with Article 35 of the Financial Regulation. In these reports, separate figures are furnished for research and expenditure outlay.

### Work of the Audit Board

11. The most effective and continuing element of control is, however, the work done by the Audit Board to which follow-up is given by this committee. The 1972 Report of the Audit Board devoted over seven pages of comment to the research and investment appropriations. Much of this comment was of a critical nature. It is appropriate for a committee such as ours when considering proposals for a new multiannual programme of expenditure to have regard to the views expressed by the audit authorities on earlier appropriations.

---

<sup>1</sup> e.g. Paragraph 8 of PE 37.472

<sup>2</sup> Bulletin of the European Communities Supplement 5/74

12. A major point made by the Audit Board in relation to the 1972 accounts was that, by early July 1973, it 'had available neither the management account for the financial year nor even supporting documents for the expenditures of the Ispra establishment for the month of December 1972. Moreover, the supporting documents for 1972 were transmitted with considerable delays compared with the usual time-limits'.

13. The Audit Board adverted also to the difficulty of assessing the implementation of the functional budget in the absence of the definitive 1972 accounts.<sup>1</sup> A number of other queries of substance were also raised by the Audit Board. The Commission's replies were of commendable thoroughness. The various aspects touched on in the Board's report have not yet been examined by the sub-committee on the budget of the Communities (control of implementation) however.

#### Development of Parliament's role in this sphere

14. When introducing his opinion (PE 37.472) on the proposal for revision of the multiannual research programme<sup>2</sup>, your Draftsman adverted to the growing importance of technology and research in modern society and the inadequacy of the present situation, which consisted too often of mere reaction to events. The role of Parliament, even in the budgetary sphere, is weakened by such a state of affairs. The evolution of a comprehensive programme which can be given full and timely scrutiny is desirable. A more thrusting policy in regard to the financing of scientific research would act as a spur to European construction and would make for an increase in Parliament's role.<sup>3</sup>

---

<sup>1</sup> The function-orientated budget system stems from the agreement between the Commission and the Council concluded at the Euratom Council's session of 16 and 17 December 1970 on the restructuring of the Joint Research Centre (JRC) and from the Commission's Decision of 13 January 1971 on the reorganisation of the JRC. In its reply to the Audit Board's comments, the Commission indicates that 'the significant feature of the function-orientated budget, as set out in the statement of revenue and expenditure relating to research and investment activities, is that appropriations are allocated, not on the basis of the type of expenditure but on that of its purpose and particularly on the basis of the research objectives laid down in the research and education programmes'.

<sup>2</sup> Doc. 89/74

<sup>3</sup> PE 37.835

### 1975 Budget

15. An ad hoc course was adopted for the budget for the financial year 1975, pending the presentation by the Commission, with a minimum of delay, of new proposals concerning the financing of programmes and the new activities for the Petten establishment. It was hoped that a decision on the financing of the programme would be taken in the first half of 1975 so that (i) the 1975 budget could be amended in good time, and (ii) the 1976 budget could be prepared normally. Indeed, the initial 1975 budget would do little more than cover the pay bill. The importance which this committee - and Parliament - attaches to research expenditure was underlined by the amendments adopted in plenary session and by the opinion<sup>1</sup> adopted by the Committee on Energy, Research and Technology on 28 October 1974.

The following figures summarise the evolution to date of the 1975 appropriation for research and expenditure:-

(i)	Amount suggested in the preliminary draft budget	105,685,905
(ii)	Figure in draft budget drawn up by the Council (80,930,298 in chapter 33 <u>plus</u> a provisional non-allocated appropriation at Chapter 98 of 13,781,192)	94,711,490
(iii)	After taking account of Parliament's amendments	95,955,490
(iv)	Position shown in first supplementary budget 1975 (taking account of Council decision of 17 December 1974)	96,454,998

### Summary of the present proposals

16. The new proposals concerning revision of the multiannual research and training programme of the JRC and the new activities for the Petten establishment take the form of eight draft decisions (with nine annexes), three main technical annexes, three opinions, and several tables and addendums. The field covered is of great complexity and the estimates are so subject to being affected by various external factors that an item-by-item examination of the constituents is not possible.

The following table shows, however, the main cost variations in the programmes resulting from the revision:-

---

<sup>1</sup> PE 38.298

<u>Joint programme</u>	<u>Initial Allocation</u>	<u>New Allocation</u>	<u>Change</u>
	m.u.a.	m.u.a.	m.u.a.
1. Plutonium and transplutonium elements	13.0	15.9	+ 2.9
2. Materials science and basic research	13.6	17.3	+ 3.7
3. Hydrogen production	6.7	8.7	+ 2.0
4. Reactor safety	21.1	27.3	+ 6.2
5. Central Bureau for Nuclear Measurements	20.4	24.0	+ 3.6
6. Standards and reference material	6.2	8.1	+ 1.9
7. Protection of the environment	15.9	19.3	+ 3.4
8. Direction and coordination	8.1	11.7	+ 3.6
9. B.C.R. Petten	-	1.4	+ 1.4
10. High temperature materials	-	4.0	+ 4.0
- other items	36.6	41.0	+ 4.4
<u>Complementary Programme</u>			
11. HF Reactor	23.0	25.6	+ 2.6
12. Other	14.1	17.1	+ 3.0
13. <u>General Reserve</u>	-	<u>5.0</u>	<u>+ 5.0</u>
Total	<u>178.7</u>	<u>226.4</u>	<u>+ 47.7</u>

17. The increase of over 26½% which the proposed new allocation represents is fairly widely spread over the main objectives, as the preceding table shows, with certain key areas such as reactor safety, protection of the environment, and nuclear measurements accounting for the lion's share.

#### Unallocated financial reserve

18. In late 1972, it appeared reasonable to allow for an average annual rate of increase of 6 per cent to cover the normally predictable increases in JRC running expenses; however, no provision was made in the programme allocations for increases in the salaries of officials to be decided by the Council. The Commission had planned to incorporate the consequences of such decisions in the course of periodic programme reviews. This proved to be a weak point because of the trend of prices and salaries in the interim.

19. The proposal now under examination envisages the setting up of an unallocated financial reserve amounting to 5 m.u.a. This additional amount constitutes a contingency to cover any financial implications resulting from the adoption of the new staff regulations for staff paid from research and investment appropriations and the consequences of certain Council Decisions regarding remuneration.

#### Queries on specific points

20. Your Draftsman would appreciate having some ~~further information~~ on the basis for this estimate. The following reference<sup>1</sup> in the Commission draft 'if the rate of adjustment noted by the Council were to continue in 1975 and 1976, the outcome could be an extra 3 m.u.a.' might relate to a potential draw on the reserve, or to extra expenditure over and above the 5 m.u.a.

A linking of the table on page 14 of the proposal to (i) the tables on page 7 of Annex 1, (ii) the table facing page 13 of Annex 2, and (iii) the table at Budgetary Annex 3 would have facilitated the examination of the proposal. At page 32 of Technical Annex 3, equipment costs (expressed in u.a. 1975) are estimated at 250,000 for 1975 and 150,000 for 1976, may be unrealistic, in view of the fact that the proposals may not be approved until rather later this year.

#### New proposals for the Petten establishment

21. Both this committee and the Committee on Energy, Research and Technology have been for long concerned about the situation of Petten. A delegation from the European Parliament - on which this committee was represented - visited the Petten centre on 23 October 1974 and was convinced that the Centre should be preserved in the interests of Community research, and that the uncertainty regarding it should be terminated. The sense of a lack of urgency detectable in the comments made by the expert groups is regrettable; for example, the ad hoc group on high temperature materials stated in their opinion that '.... the research to be performed at Petten need not be specified rigorously at this stage'. Your Draftsman therefore welcomes the proposals in regard to Petten but confesses that their overall significance for the Centre do not emerge clearly from the documentation.

---

<sup>1</sup> Paragraph 6 of preliminary note

References to the activities to be carried on at Petten are spread throughout the texts under consideration. Paragraph 17 of the Annex to the first proposal for a Council decision states that a 'maximum of 25.644 million units of account shall be allocated' for the operation of the HFR reactor at Petten, 'the number of staff being fixed at 95'. The Annex to the proposal regarding the direct action nuclear project on high-temperature materials indicates 'a maximum of 3.987 m.u.a. and a staff of 50 (including a programme staff of 34)' assigned to these activities at Petten. Finally, the standards and reference materials proposal suggests the allocation to this joint programme of 'a maximum of 1.399 m.u.a. .... the number of staff being fixed at 20 (including a programme staff of 10)'. Two of these sums are readily identifiable in the Commission's tabular summary and they are shown (in rounded figures) in the Table at paragraph 16 above (items 9 and 10). The figure of 25.644 m.u.a. is not readily identifiable in the Commission's summary, however.

#### Conclusion

22. The importance to the Community of the multiannual research programme has long been appreciated by Parliament and its committees; the matter has gained added urgency because of recent development in the domain of energy. The proposals now under consideration are to be welcomed because they (i) entail a long-overdue updating of the JRC programme, and (ii) outline new activities for the Petten establishment. However, as indicated at paragraph 16 above, the proposals are presented in a complex fashion which makes it difficult to seize their total impact rapidly. Neither does the layout facilitate the exercise of a choice of ordering priorities by this committee. On many occasions in the past, this committee has stressed to the Commission of the European Communities the importance of clarity in the presentation of proposals. Taking account of the urgency of these proposals, their character of essentiality, the ongoing nature of this committee's supervision of the outlay in question<sup>1</sup> and the additional oral information provided by the representatives of the Commission of the European Communities, early adoption by the Council is urged.

Finally, the Committee on Budgets notes that the present programme will run out at the end of 1976 and urges the Commission to take the necessary steps to ensure that the next programme is prepared in adequate time for advance consideration by the Parliament and for timely adoption.

---

<sup>1</sup>The outlay in question will be considered soon in the context of the examination of the questionnaire (PE 37.883) on the Audit Board's report.