

# European Communities

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### Report

drawn up on behalf of the Committee on Budgets

on the ~~draft~~ amendatory and supplementary budget No. 3 of the European  
Communities for the financial year 1973 (Doc. 134/73)

Rapporteur : Mr. H. AIGNER

PE 33.838/fin.



On 25 June 1973 the Council of the European Communities established draft rectifying and supplementary budget No. 3 of the European Communities for the financial year 1973. The Council referred this budget to the European Parliament, pursuant to Articles 203a of the EEC Treaty, 78a of the ECSC Treaty and 177a of the EAEC Treaty.

At its meeting of 13 July, the Committee on Budgets appointed Mr AIGNER rapporteur in his capacity as a member of its Bureau, until Mr TERRENOIRE, appointed rapporteur on the annual budget of the Communities for 1973 took up his duties.

At its meeting of 13 September, the Committee on Budgets unanimously adopted the following motion for a resolution and the accompanying explanatory statement.

The following were present: Mr SPENALE, chairman; Mr AIGNER, vice-chairman and rapporteur; Mr ARTZINGER, Mr KOLLWELTER, Miss LULLING (deputizing for Mr SCHMIDT), Mr MEMMEL, Mr PETRE, Mr POUNDER, Mr TERRENOIRE and Mr WIELDRAAIJER.

The opinion of the Committee on Energy, Research and Technology is attached to this report.

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

MOTION FOR A RESOLUTION

on draft Rectifying and Supplementary Budget No. 3 of the European Communities for the financial year 1973, established by the Council.

The European Parliament,

- having regard to draft Rectifying and Supplementary Budget No. 3 of the European Communities for the financial year 1973, established by the Council (Doc. 134/73);
- having regard to the report of the Committee on Budgets (Doc. 156/73) which takes account of the views of the Committee on Energy, Research and Technology;
  - (a) considering that this draft rectifying and supplementary budget No. 3 reflects the budgetary implications for the financial year 1973 of the decisions on the Euratom multi-year programme finally taken by the Council following its meetings of 5 February, 14 May and 18 June 1973;
  - (b) considering that it therefore enables use to be made of the appropriations which Parliament had insisted on having entered in the annual budget, mainly under expenditure not specifically allocated;
  - (c) considering, however, that the embodiment in the budget of the Council decisions involved a reduction of about 10 million u.a. in the already modest appropriations provided for Euratom in the annual budget (75.5 million u.a. compared with the 85.5 million u.a. included in the annual budget).
- 1. Notes this draft rectifying and supplementary budget No. 3 of the European Communities for 1973;
- 2. Emphasizes that decisions on the multi-year programme require in future observance of the principle that the budget must be fully comprehensive and that the annual appropriations provided for research must therefore be apportioned normally from the next financial year onwards;
- 3. Recalls its reservations on the inclusion in the Community budget, as provided for at present, of appropriations arising out of implementation of the COST agreements and asks for these activities to be included in the list of those provided for under Article 235 of the EEC Treaty;

4. Therefore considers that, pursuant to Article 78a, para. 4, of the ECSC Treaty, Article 203a of the EEC Treaty and Article 177a of the EAEC Treaty, the draft rectifying and supplementary budget No. 3 of the European Communities for 1973 shall be deemed to be finally adopted;
5. Instructs its President to forward this resolution, the minutes of this sitting and the report of the Committee on Budgets to the Council of the European Communities.

EXPLANATORY STATEMENT

1. As stated in the explanatory memorandum in Annex I to Volume V of Section III of this draft rectifying and supplementary budget No. 3, the purpose of the latter is to allocate the appropriations earmarked for research and investment activities following the Euratom programme decisions taken by the Council on 5 February, 14 May and 18 June 1973.

2. The Annual budget adopted at the end of 1972 included about 87 million u.a. of commitment appropriations (40.6 million u.a. in Chapter 33 'Research and investment expenditure' and 46.4 million u.a. in Chapter 98 'Unallocated provisional appropriations') and 85.5 million u.a. in the form of payment appropriations (48.7 million u.a. in Chapter 33 and 36.8 million u.a. in Chapter 98 respectively).

3. The funds entered in Chapter 33 were operating appropriations because they meet the requirements resulting from the programme decisions already taken by the Council. The appropriations in Chapter 98 represented funds whose entry had been strongly urged by Parliament while awaiting a Council decision on a genuine multi-year research and training programme.

4. In the supplementary budget, the allocation of appropriations following the Council decisions no longer involved the full amount of appropriations available, namely 85.5 million u.a., but 75.5 million u.a.

Therefore, the result of the rectification is a reduction of about 9.9 million u.a. in the funds available.

5. The sum provided initially certainly did not match the hopes aroused in Europe on the signing of the Euratom Treaty. 85 million u.a. are insufficient as an appropriation for research programmes on a European scale, but the consequence of the programme decisions finally taken by the Council is a further reduction of 10 million u.a. in the available funds. The rectifying budget is therefore a retrograde step.

6. After examining draft rectifying and supplementary budget No. 3 (PE 33.581/fin.), the Committee on Energy, Research and Technology, while noting that for the first time since 1967 the Community had a budget which made provision for a multi-year research programme, hesitated to comment on the substance of the breakdown between the various actions because of lack of time.

Moreover, it is clear that the breakdown of the figures for such a modest programme cannot be accepted without reservation. This committee noted the fact that there is already provision for funds to allow the implementation of redundancy measures for a number of staff. Finally, it expressed reservations about the inclusion in the budget of actions deriving from the COST agreements. It asked for these actions to be included in the list of measures provided under Article 235 of the EEC Treaty.

#### Conclusions of the Committee on Budgets

7. This draft rectifying and supplementary budget No. 3, which, following the adoption of the programme decisions by the Council, corrects an existing deficiency, is to be welcomed. This satisfaction is tempered, however, by the modest size of the appropriations and by the fact that the Council decisions have resulted in a further reduction of the provisional appropriations entered in the annual budget for 1973.

Opinion of the Committee on Energy, Research and Technology.

Draftsman: Mr Norbert HOUGARDY

On 22 June 1973 the Committee on Energy, Research and Technology appointed Mr HOUGARDY draftsman.

The committee considered the draft opinion at its meeting of 11 July 1973 and adopted it unanimously, with one abstention.

The following were present: Mr SPRINGORUM, chairman; Mr FLAMIG, vice-chairman; Mr BALLARDINI, the Earl of BESSBOROUGH, Mr BLUMENFELD (deputizing for Mrs WALZ), Mr BURGBACHER, Mr COVELLI, Mr GIRAUD, Mr JAKOBSEN, Mr KRALL, Mr LAUTENSCHLAGER, Mr LEONARDI, Mr MEMMEL, Mr NOE', Mr NORMANTON, Mr PETERSEN, Mr RADOUX (deputizing for Mr KATER) and Mr van der SANDEN.

## Introduction

1. On 5 December 1972 the Council adopted the General Budget of the European Communities for the financial year 1973. In the absence of a decision on a multi-year research programme, the section of this General Budget on the 'Statement of EAEC research and investment expenditure' remained highly incomplete and provisional in character. This situation was reflected by the entry of an appropriation of 49 m u.a. under Chapter 98, Section III (provisional appropriations not allocated).

2. After the Council had adopted the multi-year research programme on 5 February, 14 May and 18 June 1973, it was necessary to use the rectifying budget to transfer these appropriations from Chapter 98 to Chapter 33, Section III (expenditure on research and investment).

3. The draft of this rectifying budget is today submitted for our consideration. As already mentioned, Chapter 33, Section III covers 'Expenditure on research and investment'. It is supplemented by an 'Annex I to Volume V, Section III - Commission' which gives a breakdown of the 'Statement of revenue and expenditure for 1973 relating to research and investment activities'. It should be noted that this annex has a structure and nomenclature of its own (see Financial Regulation No. 71/322 on special provisions applicable to research and investment appropriations, OJ No. L 218, 28 September 1971).

In addition, the Commission proposes some improvements in the technique of presenting the budget, and the Committee on Budgets should consider their merits.

4. The total payment appropriations for the financial year 1973 shown in the draft rectifying budget of the Communities amount to **4,012,371,147 u.a.** Of this total, **75,532,230 u.a.** (including 845,400 u.a. in the operating budget) are allocated to research and investment expenditure.

The breakdown of these appropriations is as follows:

48,700,001 u.a.	representing the total payment appropriations already opened under Chapter 33 of the General Budget for 1973, on which our committee has already commented in an opinion drawn up by Mr Hougardy (PE 31. 077/fin. and PE 33.112)
+ 26,832,229 u.a.	transferred to Chapter 33 of the rectifying budget from Chapter 98 of the 1973 General Budget.
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75,532,230 u.a.	

The sum of 9,981,465 u.a. (36,813,694 - 26,832,229 m u.a.) still remaining under Chapter 98 is cancelled by the draft rectifying budget.

I. Characteristics of Annex I of the draft rectifying budget

1. Implementation of Article 6 of the EAEC Treaty

5. By the Council decision of 5 February 1973 the ESSOR installation (Ispra) and its staff (170 officials and 39 local staff) are no longer subject to a programme decision. From 1 March 1973 they were made available to Italy (under Article 6 of the EAEC) against payment. The same procedure is being adopted for the 33 employees seconded to BR 2 (Mol), who have been placed at the disposal of Belgium.

6. The Committee on Budgets will have to consider whether Article 6 of the EAEC Treaty has been implemented in a regular manner from the budgetary standpoint.

2. Problem of surplus staff

7. The programme decision of 5 February 1973 entails reducing the payroll of the JRC by 44 employees. Furthermore, according to the Commission, 50 posts should be vacated to make way for staff from the new Member States.

The Commission submitted to the Council a proposal for a regulation providing for special redundancy terms in view of the needs of this situation. Our committee had expressed its views on these proposals in an opinion drawn up by Mr Gerlach for the Committee on Budgets. Following these proposals, the Council adopted a regulation (OJ No. L 155, 11 June 1973) introducing special measures temporarily applicable to officials of the European Communities paid from research and investment funds.

8. Pending implementation of this regulation, all of these employees are still shown in the establishment plan of Annex I of the draft rectifying budget. The corresponding appropriations (2.5 m u.a.) are entered in Chapter 8.90 of Title 8, under the heading 'Staff awaiting secondment or redundancy measures'.

9. This procedure avoids the need for a supplementary rectifying budget, since it takes account of the budgetary implications of the implementation of the regulation on 'redundancy' measures and our committee therefore welcomes it.

II. Research appropriations opened in the draft rectifying budget for 1973

Chapter 33	Commitment appropriations:	73,260,524 m u.a.
	Payment appropriations	: 74,686,830 m u.a.

10. This sum of 74.6 m u.a. includes appropriations (amounting to 48.7 m u.a.) on which our committee and the European Parliament already delivered an opinion in the debate on the 1973 General Budget.

As already mentioned, a sum of 26.8 m u.a. is added to this in the draft rectifying budget, this sum being distributed between the various programme actions adopted on 5 February, 14 May and 18 June 1973.

11. It is not the intention of our committee to make a detailed analysis of the appropriation allocations for the various programme actions. It proposes, rather, to consider the implications of the budgetary decisions for the future of Community research.

We shall therefore confine ourselves at this point to a breakdown of the appropriations for the different types of action under the multi-year programme. The breakdown is as follows:

- direct JRC actions (nuclear and non-nuclear)	30.7 m u.a.
- indirect actions	21 m u.a.
- supplementary programmes	
- direct actions	8.1 m u.a.
- indirect actions	1.2 m u.a.
- final action implementation	4 m u.a.

12. Subject to the above comments, the Committee on Energy, Research and Technology welcomes the fact that, for the first time since 1967, the Community has a multi-year research programme budget. It also attaches importance to the fact that this draft budget contains appropriations intended for non-nuclear actions.

For example, an appropriation of 2.8 m u.a. is allocated for 'Protection of the environment'.

This research work should lead to a programme for reducing pollution and measures consisting of:

- an objective formulation of pollution risks for man and a common definition of quality objectives and environmental standards;
- harmonization of measurement methods;
- development of techniques having no adverse effect on the environment.

13. Whereas there is no need for our committee to comment on the appropriations provided for in the draft rectifying budget as a whole, this is not the case with the appropriations allocated to the action 'European data-processing network' (0.2 m u.a.).

Our committee commented quite unequivocally on this matter in its opinion on the General Budget for 1973 (Hougardy opinion - PE 31.077/fin.). It points out again that these actions derive from the COST agreements and are therefore not covered by the powers provided for under the EAEC Treaty; they should be included in the list of actions governed by Article 235 of the EEC Treaty.

### III. Conclusions

14. The Committee on Energy, Research and Technology regrets the delay in the presentation of a 1973 budget relating to research and investment activities. Moreover, the timetable within which the European Parliament has to deliver its opinion has not allowed your draftsman to obtain all the information required or request all the relevant explanations from the Commission of the European Communities.

Such a procedure makes any real control impossible and to that extent reduces the powers of the European Parliament.

15. The Committee on Energy, Research and Technology notes that, for the first time since 1967, the Community has a budget for a multi-year research programme. It also notes the proposed breakdown for the various research actions and welcomes the introduction of non-nuclear actions.

The Committee on Energy, Research and Technology reiterates its opposition to the inclusion in the Community budget of actions deriving from the COST agreements, as proposed at the moment. It asks for these actions to be included in the list of actions provided for under Article 235 of the EEC Treaty.

