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Report

UPRAN

drawn up on behalf of the Committee on energy, research and technology

on the need for a common policy on technology

Rapporteur : Lord BESSBOROUGH

PE 33.240/fin.

1.2.1

English Edition

EP 1973-74/211/73

By letter of 3 May 1973, the Committee on Energy, Research and Technology requested the authorisation to draw up a report on the need for a common policy on technology.

The President of the European Parliament, by letter of 10 May 1973, authorised the Committee to write a report on the problem.

The Committee on Energy, Research and Technology nominated Lord BESSBOROUGH rapporteur on 17 May 1973.

At its meetings of 21 June, 12 July and 24 September 1973, the Committee examined the draft report and except for two abstentions, unanimously adopted the draft resolution and explanatory statement.

The following were present: Mr Springorum, Chairman; Mr Flämig, Vice-Chairman; Mr Normanton (deputizing for the Earl of Bessborough, rapporteur); Mr Aigner (deputizing for Mr Vetrone); Mr de Broglie, Mr Burgbacher, Mr Covelli, Mr Giraud, Mr Glesener, Mr Hougardy, Mr Kater, Mr Krall, Mr Lagorce, Mr Lautenschlager, Mr Leonardi, Mr Noe', Mr van der Sanden and Mrs Walz .

JOSEPH RUGGINS, INC.

C O N T E N T S

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

on the need for a common policy on technology

The European Parliament,

having regard to the report of the Committee on Energy, Research and Technology (Doc. 211/73);

1. Calls for the rapid implementation of a common policy on technology, the necessity for which was underlined during the Conference of Heads of State and of Government in Paris and without which the Community will not be able to face the challenge of the most advanced technological nations;

2. Considers that such a policy should tend, on the one hand, towards closer coordination of achievements in these fields within Member States and, on the other, the promotion and realisation, by the Commission, of Community projects;

3. With this double aim in view, the Parliament invites the Commission:

   (a) to proceed with the preparation of a comprehensive inventory of Community research and development resources showing, sector by sector, the extent of European cooperation already in progress and the areas in which increased cooperation would be desirable;

   (b) to draw up a list of priorities for industrial sectors in which projects of Community interest should be initiated and to urge the Council to take prompt decisions on their implementation;

4. Is of the opinion that, in order to increase the information available to Community institutions, major technological projects financed wholly or in part from public sources should be notified to the Commission;

5. Suggests the establishment of a Community system for venture capital financing and increased cooperation, in association with the European Investment Bank, between the national financial institutions providing funds for industrial development including marketing;

6. Invites the Commission to encourage the work already undertaken at the meeting in Rotterdam in April 1973, to increase and intensify, on a

Community basis, cooperation between the various national research institutions and associations which already exist in Member States;

7. Expresses the opinion that an effective common policy on technology cannot be established while there still exist legal, economic and fiscal obstacles which impede the free circulation of products and impede cooperation between, or merging of private and public enterprises in the Member States; the Parliament welcomes in this regard the concrete proposals put forward by the Commission to eliminate these obstacles within a precise time limit;

8. For all these reasons, invites Member States to recognize the general responsibility of the Community in technology which the present Treaties permit only to a limited extent and, with this object in view, to have recourse to the provisions of Articles 235 or 236 of the Treaty of Rome;

9. Appeals to the Council to express its political will to create a single industrial base and to keep strictly to the date of 1st January 1974 in drawing up a programme of action, so that the necessary decisions may be taken by a qualified majority in conformity with the Treaties;

10. Instructs its President to transmit this Resolution to the Commission and the Council of the European Communities.

B

EXPLANATORY STATEMENT

I. THE NEED FOR A COMMON POLICY ON TECHNOLOGY

1. The concept of a common policy on technology arises from the belief that the countries of Europe will not be capable, by their own individual efforts, of exploiting fully the most recent advances in science, and that only by increased cooperation and pooling of their industrial resources will Member States of the Community be able to compete with the United States, the Soviet Union and Japan in the area of technological innovation and process development.

2. It must be recognised that a "technological Europe" is still virtually unrealised. Technological policy in Member States remains in essence nationally oriented and for the most part takes little account of work being done in this field in other Member States. Most European technological cooperation is carried out in international organisations varying widely in nature and membership: there are in fact no fewer than some 30 European and international research organisations in which governments of Member States are represented.

3. It seems essential, therefore, to coordinate more effectively Community efforts in technology following a general review of the practical problems arising.

The recent enlargement of the Community, and particularly the important contribution of the United Kingdom in this field, should facilitate this task.

4. It should be recalled that the need for such coordination was already stated in the final communiqué (paragraph 9) of The Hague Summit Conference of December 1969 which ran as follows:

> 'as regards the technological activity of the Community the Heads of State or Government reaffirmed their readiness to continue more intensively the activities of the Community with a view to co-ordinating and promoting industrial research and development in the principal sectors concerned, in particular by means of common programmes, and to supply the financial means for the purpose'.

This was clearly reasserted at the last Summit Conference in Paris on 19-20 October 1972. The final communiqué issued at the end of that meeting stated that:

> 'objectives will need to be defined and the development of a common policy in the field of science and technology ensured. This policy will require the coordination, within the institutions of the Community, of national policies and joint implementation of projects of interest to the Community. To this end, a programme of action together with a precise timetable and appropriate measures should be determined by the Community's institutions before 1 January 1974'.

5. The publication of the Commission's Communication concerning a programme for industrial and technological policy (SEC (73) 1090 final) contained a list of decisions by the Council and by Member States on industrial and technological policy. Depending on the date of the original decision these should, in the Commission's opinion, be adopted between 1973 and 31 December 1977. They constitute an important first step towards the implementation of a common policy on technology.

6. DEFINITION OF TECHNOLOGY

At this point it would be well to define the meaning of a 'policy on technology', as used in the present report. The word 'technology' has, in different languages and for different authors, a number of different meanings.

Although it is your rapporteur's opinion that industrial, scientific and technological problems should be studied jointly, the word 'technology' is used in this report as a synonym for 'research and development' (R & D) with particular reference to applied industrial research which is likely to benefit the economy of the Community. This covers the application of the results of research, and the development of new or improved existing materials, equipment, systems and processes.

THREE ESSENTIALS Thus any industrial technological project assumes three essentials:

1. a creative imagination, since all progress in modern technology is the result of the creative work of scientists and technologists;

2. a set of decisions, particularly a decision on whether the new idea is worth trying;

3. the necessary lapse of time between the inception of the idea and its realisation in industry - a period which ought to be as short as possible.

7. ALLOCATION OF RESPONSIBILITIES

The transition between a policy on technology - in this sense - and industrial policy proper must be a smooth one: a fact which will doubtless raise difficulties in the allocation of responsibilities between the Committee on Energy, Research and Technology and the Committee on Economic and Monetary Affairs, which is the Committee responsible for industrial policy, as well as between the respective Members of the Commission. We are all aware, however, that both at national and Community level, it is always difficult to decide where to divide the seamless robe of education, science applied research, technology, development and industrial production. Nevertheless, it should be recognised that such divisions must be made even if none of them can be entirely satisfactory. But separating industry and technology as has occurred in drawing up the terms of reference of the European Parliament's Committees seems particularly inappropriate. Your rapporteur

nonetheless hopes that it will be possible to reconcile his report with that of Mr Cousté on industrial policy, and that of Mr Flämig on a scientific and technological policy programme.

The separation of Research from Industry and Technology in the Commissioners' functions also seems to your rapporteur to be unfortunate. However, the Committee was glad to be assured by the Commission's representative that this division is in reality not so important, since very close links exist between D.G.III dealing with industry and technology and D.G.XII dealing with research.

II. COMMUNITY EFFORT IN RESEARCH AND DEVELOPMENT

8. According to figures supplied by the OECD and incorporated in a study made on behalf of the Commission of the European Communities on industrial research carried out under contract in Member countries (see 'Recherche et Developpement' No. 6, February 1973, p. 21 et seq.), there are considerable differences between the overall research and development efforts made by each Member State.

The proportion of the GNP expended on research and development in various Member States is as follows:

- between 2 and 3% in France, the Netherlands and the United Kingdom (comparable to the USA);
- between 1.5 and 1.9% in West Germany (comparable to Japan);
- between 0.5 and 1.0% in Belgium, Italy and Ireland.

9. In Community countries 90% of finance for research and development comes from private enterprise and the state - the remaining 10% being derived from non profit-making institutions, universities and from abroad. France is the only country where private enterprise provides less than half of the total finance.

On the whole, research and development expenditure varies considerably between different sectors of the economy. Compared with expenditure on research and development in 'advanced technology' sectors such as atomic energy and aerospace, R & D appropriations in the conventional ('bread and butter') industries seems derisory. Government sources account for the overwhelming part of the former, while private sources play the major part in the latter.

10. Large though they are, the amounts involved are usually insufficient to meet the demands of technological progress, and Member States' research and development policies are limited by the size of national budgets. The Commission stresses in its Communication to the Council of 14 June 1972[1] the need 'to call for Community action to strengthen the development and rationalisation

[1] Objectives and instruments of a common policy for scientific research and technological development (Bulletin of the E.C. Supplement 6/72).

of the research and development effort' (p. 11). In this document the Commission emphasised that the enlarged Community offers 'a practical opportunity to work out a European R & D policy with a scope and coherence unimaginable for the Six.' Because non-Member countries in Europe possess major technological and industrial capabilities, many collaborative technological projects are conducted outside the Community framework; enlargement of the Community should enable these efforts to be rationalised.

III. ENDS AND MEANS OF A COMMON POLICY ON TECHNOLOGY

11. What should be the objective and the instruments of a common policy of technological development?

In the document quoted above, the Commission considers (p. 26) that 'in the definition and implementation of R & D projects in the Community, the Community itself neither can nor should try to centralize everything. Any common R & D effort must leave ample scope - in some sectors a predominant share - to the free initiative of national public establishments, universities and firms. A Common policy should generate common projects only in those cases where the need for them is acknowledged.'

The point is, and here we fully support the Commission's attitude, that a research and development policy should be flexible, leaving room for all types and patterns of cooperation and cannot be effectively implemented except by a full and varied range of initiatives on the national scale and of joint as well as concerted international action.

12. AIMS AND CRITERIA

With this aim in view, the policy envisaged by the Commission for research and development is based on the following objectives:

(1) Selection of R & D objectives on a Community scale and harmonisation of national policies in order to ensure the progressive adjustment of these policies to approved overall objectives;

(2) Agreement on criteria which all Community initiatives should meet. The Commission proposes the following five fundamental criteria:

(a) projects requiring such extensive human and financial resources that they cannot be undertaken on a national scale;

(b) projects for which the development cost or sales requirements demand a very large or an organised market;

(c) projects which by their nature are international (long-distance transport, telecommunications);

(d) projects to meet the collective needs common to Member countries (research on the environment, urban development);

(e) projects contributing to the implementation or the development of sectorial policies adopted by the Community (for example, industry, the environment, transport, or agriculture).

(3) The need to maintain a balance between national and regional requirements so as to rationalise public effort and industrial competition and to reconcile both with an equitable spread of activity throughout the Community.

(4) International cooperation and systematic consultation between Member States before proposing new cooperative ventures to non-Member countries.

13. Your rapporteur is in agreement with the main lines of the policy advocated by the Commission. He is of the opinion that the Community must very soon introduce a common scientific and technological policy, and agrees with the Commission that such a policy should consist in coordinating national policies within the framework of Community Institutions on the one hand and on the other in undertaking actions in the objectively determined interests of the Community as a whole.

14. HOW TO COORDINATE NATIONAL POLICIES

But how can national policies be coordinated at Community level? Only if the Commission is kept informed of the activities of the various institutes and research centres in the different member countries and if it has at its disposal - which is not the case at present - an inventory of Community resources. The OECD has now begun some fragmentary work on this problem. We consider, however, that the implementation of a common policy on technology requires a general stock-taking of Community R & D resources, showing the extent and achievements of existing European cooperation in various industrial sectors.

15. ROTTERDAM CONFERENCE

In this context it should be noted that from 25 to 27 April 1973 a conference was held in Rotterdam on the advisability of cooperation on a Community basis between various European industrial research institutions. The meeting was organised by the Committee of Directors of Research Associations (the CDRA in London) in conjunction with the Dutch TNO and attended by representatives of the nine Member States and the Commission. The meeting decided to set up a working party to look into the possibility of cooperation on a Community basis between industrial research institutions and to prepare a report. At the Rotterdam meeting, the Commission's representative accepted the idea of drawing up an inventory[1] of all existing research institutions in the Community. The Committee on Energy, Research and Technology was also interested to hear from Mr Spinelli, that the Community's 1974 budget would include a modest sum to meet the costs of work done in this matter and of organising the necessary meetings.

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[1] as recommended in the Report of the Committee of Inquiry into the Research Association in Britain (April 1973).

16. In order to keep the Commission better informed it would also be desirable for Member States to be requested to give notice of their more important research projects. This notification should precede their initiation and apply to all major technological programmes financed wholly or in part from public funds, provided that considerations of national security are not involved.

17. CERD

In order to provide itself with the means of preparing and framing the decisions which it will have to take to implement a technological policy, the Commission has proposed that a European Committee on Research and Development (CERD) be established with a broad competence in R & D matters. The CERD held its first meeting in April 1973. We understand that the Council is not called on to confirm its establishment.

This Committee could certainly play a part in implementing R and D policy. We should nevertheless stress that it does not appear desirable to create too many new bodies for the management of R & D policy, for this might well make European cooperation even more unwieldy. If, however, this body is to operate effectively, your rapporteur considers that it might well increase its industrial representation, perhaps in consultation with the association which it is hoped will be formed as a result of the Rotterdam Conference mentioned above (paragraph 15).

18. CREST

The Committee on Energy, Research and Technology notes that the Commission has drawn up a programme of action in regard to scientific and technological policy (COM(73) 1250 final) 25 July 1973 in which it is recommended that a new high level scientific and research Committee (CREST) should be set up. Your Committee has not yet had an opportunity of studying this programme in detail but will give it separate consideration in the report to be drawn up by Mr. Flämig on a scientific and technological policy programme.

19. REMOVAL OF NON-TARIFF OBSTACLES

The Commission's task should not in our view be confined to facilitating contacts and harmonising the national and international R & D policies of Member States and to stimulating intro-Community contacts where these are inadequate. It should also aim at the removal of various obstacles - legal, economic, fiscal, access to public contracts - which still inhibit the establishment of a single free market for technological products.

This is a subject which has been recently discussed in detail in the Commission's Communication concerning industrial and technological policy (SEC (73) 1090 final). It shows clearly that the division between technological policy and industrial policy is highly artificial. We would like, however, to express our satisfaction that for the first time an exact time-table for the removal of legal, fiscal and other barriers to alignment has been laid down. If the time-table envisaged by the Commission is observed, the Council should take important decisions in this sector by 1 January 1974.

20. DEVELOPMENT CONTRACTS

We believe in particular that the imminent entry into force (the Commission suggests the date of 1 January 1974) of the Commission's proposal for Community industrial development contracts to support innovations in industry[1], can significantly contribute to the desegregation of national industries and should enable small and medium-sized enterprises in the Community to embark on valuable cooperation cutting across frontiers and thus benefit from the advantages of larger markets.

21. BUSINESS COOPERATION CENTRE

Another welcome development has been the creation of the Community's Business Cooperation Centre which although limited in scope should facilitate cooperation between public and private enterprises in Member States[2]. Your rapporteur has noted that this Centre is consulted by more firms in certain States than in others. It is hoped that firms in all Member States will make the maximum use of it.

22. JOINT PROJECTS

The coordination of national policies within the framework of Community institutions and increased cooperation between enterprises in various Member States will not, however, in themselves constitute a Community policy on technology unless Member States also decide to undertake a number of joint projects of Community interest in recognised priority sectors. We note with interest that in its communication on industrial and technological policy, the Commission states its intention (paragraph 51), to submit shortly to the Council proposals relating to aerospace, data processing, mechanical and electrical engineering equipment, uranium enrichment, shipbuilding and the textile and paper industries.

23. AEROSPACE

Your Committee welcomes the decision to create by 1 April 1974 a new European Space Agency merging ESRO and ELDO. The Committee notes that the three projects agreed are:

(a) A £190,000,000 research programme to build a satellite launcher;
(b) The development of a £125,000,000 manned space laboratory which will be Europe's contribution to the American space shuttle programme; and
(c) A £31,000,000 programme for a marine satellite to relieve congested ship to shore communications.

Your Committee notes that these projects are expected to take about seven years.

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[1] (See Bousch Report, Doc. 10/73 and the opinion of the Committee on Energy, Research and Technology, Rapporteur, Mr Glesener, attached).

[2] See The Times of September 10, 1973.

Your rapporteur has not considered it to be within his function to make suggestions regarding the re-structuring of the European aircraft industry. He considers that this must very largely be left to the firms themselves. But M. Cousté will no doubt refer to this situation in his report. The existence of six main European firms and only six in the United States, which is responsible for eighty per cent of the world's aircraft production, is a matter which should continue to be given earnest consideration by the European firms and Member States concerned. In so far as cooperative R & D is concerned, your rapporteur considers that this should continue on an inter-firm basis with, in most cases, supporting national governmental funds as in the case of the Anglo-French Concorde and helicopters, the A-300B European Air Bus, the MRCA and others. Your rapporteur does, however, consider that a concerted effort by the European aero-engine industry to reduce aircraft noise and pollution would be highly desirable and that in this case Community rather than national funds should be made available to the Commission to enable it to sponsor efforts on a European basis. We hope Monsieur Cousté will give this matter further consideration.

24. ENVIRONMENTAL POLLUTION

Your Committee considers indeed that a high priority should also be given to joint Community research on other forms of environmental pollution. Insofar as water is concerned, in developing new techniques in advanced waste treatment and sewage disposal, there appears to be a good case for increased cooperation in this field especially in harmonising research and development with work at present in progress in the United Kingdom.

Your rapporteur also considers that there should be increased cooperation in combatting air pollution: in new methods of desulphurisation, reducing the lead content in petrol and cutting back the emission of SO_2 by, for example, the fluidized bed process. Your rapporteur considers that the building of a plant using this process should be undertaken on a Community basis. It is also hoped that the motor industries within the Community will also cooperate more closely in this work in conjunction with the US automobile industry.

Thirdly, Government establishments and industrial firms concerned with the reduction of vehicle noise should also be urged to work more closely together.

Further consideration should also be given to cooperation in the recycling of waste products, particularly plastics.

Your Committee welcomes the decision of the Council of Ministers on 19 July to adopt a detailed and comprehensive programme to fight pollution and improve the environment throughout the Community. It is believed that the United Kingdom has important contributions to make in all these fields. We hope that Mr Flämig will be examining these matters further in his report.

25. UNDERWATER TECHNOLOGY

The Committee on Energy considers that the Commission might also make proposals to the Council regarding technological cooperation in oceanology. There is a widespread view that the development of the seabed or ocean space, whether by way of oil drilling, ore research or in food production, is, economically, likely to be much more rewarding than the exploration of inner or outer space. The general area of ship and marine technology may also be a fruitful one for international cooperation within the Community. Offshore technology is particularly appropriate since it is an area which is relatively new and one where, because innovation is expanding, development is of special importance. It is also a field where there is already some cooperation involving members of the Communities and third European countries through COST Project No. 43 for a network of oceanographic and metereological data buoys. It is hoped that work in this area will be accelerated, provided that the legal requirements laid down in the treaties are respected. The Committee on Energy, Research and Technology would encourage the action which it understands is now under way to set up a new working party on oceanology under the PREST Group with a view to increasing European cooperation in this area.

26. RAIL TRANSPORT AND TELECOMMUNICATIONS

In presenting the Commission's Communication on industrial and technological policy at Strasbourg on 9 May last, Mr Spinelli included, among areas where joint research and development projects could be undertaken, rail/transport and telecommunications, especially in view of the important developments to be expected in these two sectors and the fact that they cross the frontiers of Member States. We agree that these industries should also be given early consideration by the Commission.

27. SHIP-BUILDING

We have also noted that D.G. III has suggested that ship-building might be given first priority. Each year the average Japanese ship-building berth launches nearly five ships and the average European no more than two-and-a-half. This is one measure of Europe's inefficiency in this industry. Closer coordination not only of production facilities but also in technological research and development in ship-building would therefore seem to be highly desirable.

28. COMPUTERS

Your rapporteur was pleased to read recently that the Commission intends to propose to Member States the establishment of a European 'computer plan' for a joint data-processing project for the years 1976-1980. A high priority should in this connection be given to the coordination of research in software programming.

29. PRIORITY SECTORS

We feel that the Council should decide on these matters on the Commission's proposals after consultation with the CERD, the CREST and the industrial research association proposed at the Rotterdam meeting as well as in the light of the criteria laid down by the Commission already referred to in paragraph 12 above.

It is our Committee's opinion that the Commission should agree on a definite list of priority sectors for projects of Community interest. It is also the Committee's view that it will be difficult for the Commission to deal with all these industries simultaneously, and we hope that the Commission will make up its mind as to which industry or industries should be studied first.

We suggest at all events that priorities should not necessarily be confined to advanced industries and technologies but should include more conventional sectors, where much also remains to be done, for example, in the food industry, the construction industry, and textiles: sectors in which the progress of cooperation - inadequate at present - might prove easier than for example in aerospace.

30. FINANCE

Your Committee believes it would be desirable to introduce a system of financing by means of risk capital on a Community scale. The Commission's communication on industrial and technological policy in fact refers to such a possibility.

Venture capital is of fundamental importance in financing technological innovation. It must cover the costs not only of R & D but also of setting up and operating for the first few years new enterprises offering new products. It might also help provide non-technical services such as management consultancy, marketing and technological forecasting. In Europe lack of venture capital has been one of the main obstacles to the large scale development of new technologies. It would seem essential therefore to supplement existing private sources of venture capital with assistance from public funds. We feel that part of this assistance should come from the Community budget. Financial assistance of this kind could make a valuable contribution to technological innovation which is the basis of economic and social progress.

We welcome the Commission invitation (see SEC (73) 1090 final, paragraph 43) to national financial institutions which supply capital to industry to cooperate more closely, in liaison with the European Investment Bank. We share the Commission's conviction that such cooperation would facilitate the reorganisation of industries across frontiers as well as joint export ventures. It is suggested that the European Investment Bank

might act as a channel through which funds might be received from national financial institutions with the object of supporting R and D work in different industries.

31. JOINT RESEARCH

It goes without saying that the Joint Research Centre at Ispra could be an important factor in the implementation of a common policy on technology. This pre-supposes, however, a reorientation of the JRC - whose terms of reference at present are confined to the nuclear field. The problems involved here have been repreatedly discussed in reports by the Committee on Energy, Research and Technology[1].

32. POLYCENTRISM

At the same time your rapporteur is of the opinion that a common policy on technology should also be of a polycentric character. He believes that full advantage should be taken of the work being carried out by national institutes and research centres. He considers that funds available for Community research and development should be allocated to those existing national research organisations which are recognised within the Community as being centres of excellence in their particular industry or technology.

33. LEGALITY

Your rapporteur has set down in the foregoing a few modest thoughts on the objectives and content of a common policy on technology. He is well aware, however, that the various suggestions put forward have no chance of acceptance until Member States finally agree that the Community should concern itself with a wider range of technologies. This it cannot do under the Treaties as they now stand. The inclusion of technology among the Community's objectives dates only from a decision of the Council of 31 October 1967 and lacks a proper legal basis. The implementation of a community policy in this sector therefore implies reference to the provisions of either Article 235 or Article 236 of the Treaty. Article 235 stipulates that 'if action by the Community should prove necessary to attain in the course of the operation of the Common Market, one of the objectives of the Community and this Treaty has not provided the necessary powers, the Council shall, acting unanimously on a proposal of the Commission and after consulting Parliament, take the appropriate measures'. Amending the Treaty under Article 236 is likely to be a much more complex and time-consuming task. The Committee on Energy, Research and Technology has often in the past advocated extensive recourse to Article 235 - a recommendation to which the Council seemed until recently to be opposed.

Testifying before the Committee on Energy on this subject, Mr Spinelli said that in his view the important thing was for the Member States to agree on the main lines of a common R & D policy while bearing in mind that once

[1] See particularly the reports of Oele (Doc.17/71), Orth (Doc.194/71), Glesener (Doc. 57/71) and Gerlach (Doc.57/72).

agreement is reached reference will have to be made to the Procedure laid down in Articles 235 or 236.

34. THE URGENCY

At all events, particularly after the Paris summit meeting, the problems involved seem to be more urgent than ever. It is hoped that they may be approached in a pragmatic manner compatible with the letter and spirit of the Treaty. It is recognised, however, that a full programme, due to its wide ranging nature covering so many technological sectors, must of necessity be of a very long-term character.

We suggest in any case that the Commission should set up a more organic structure to deal with those industries to which it decides to give first priority and that working parties of systems analysts might be set up for this purpose. With the formation of CERD and CREST (see paragraphs 17 and 18 above) it appears that the Commission has, since the present report was first drafted, agreed that this was necessary.

35. THE POLITICAL WILL

Above all the Committee considers that there must exist in the Council of Ministers the political will to create a single technological base in Europe as may be said to exist in the United States, USSR and Japan. It is hoped that the Council will, according to the Treaty, agree to take majority rather than unanimous decisions in these matters.

36. PARLIAMENTARY CONTROL

In view of the fact that in many cases taxpayers' money will be involved in the promotion of such cooperative work it is essential that there should be European Parliamentary control over the expenditures involved. The principle of Parliamentary accountability must be respected. For this purpose it would be advantageous if the Commission could present to the Parliament an annual review of the principal trends of national work in the technological field. We recognise that this may be a difficult task and in certain countries it may not be easy to obtain the necessary information but it is hoped that all available material will be assembled even if, due to considerations of industrial secrecy, the review may be incomplete.

In this connection it will be necessary to set up in each country where they do not exist already, national offices to collect the necessary data.

IV. CONCLUSIONS

The implementation of a common policy in the technological sector is an ambitious and long-term aim.

For this reason it seems desirable that as a first step the objective of such a policy be clearly defined. Otherwise Community policy will remain ineffectually diffuse. We wish to stress again that to correct this

unsatisfactory state of affairs, it seems essential to draw up a list of priorities.

We propose that initially the following steps be taken, with particular attention to the guidelines laid down by the Paris Summit Meeting:

- preparation of a comprehensive inventory of Community R & D resources showing, sector by sector, the extent and achievements of European co-operation already in progress;
- notification to the Commission of major technological projects financed wholly or partly from public sources;
- drawing up of a list of priorities for sectors in which projects of Community interest should be initiated and the taking by the Council of prompt decisions on their implementation;
- establishment of a Community system for venture capital financing;
- elimination of legal economic and fiscal obstacles to technological co-operation between establishments or firms in different Member States with access to public contracts;

it being understood that these various objectives cannot be achieved until the legal preliminaries discussed in paragraphs 33 and 34 above have been completed.
