FINANCE COMMITTEE
Forty-fifth Meeting
Geneva - 12 June, 1962

DRAFT MINUTES
**DRAFT MINUTES**

The Finance Committee consisted of the following:

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<th>Chairman:</th>
<th>Dr. G.W. Fünke</th>
<th>Sweden</th>
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<td><strong>Members:</strong></td>
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<td>Dr. H. Gleissner</td>
<td>Austria</td>
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<td>Prof. P. Capron</td>
<td>Belgium</td>
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<td>Dr. P. Levaux</td>
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<td>Prof. J.K. Bøggild</td>
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<td>Denmark</td>
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<td>Mr. O. Obling</td>
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<td>Dr. W. Schulte-Moermann</td>
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<td>Federal Republic of Germany</td>
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<td>Mr. J. Courtillet</td>
<td>France</td>
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<td>Prof. Th. Kouyoumzelis</td>
<td>Greece</td>
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<td>Mr. A. Petropoulos</td>
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<td>Dr. C.C. Bertoni</td>
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<td>Mr. J.H. Bannier</td>
<td>Netherlands</td>
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<td>Mr. S.Chr. Sommerfelt</td>
<td>Norway</td>
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<td>Prof. E. Trumpy</td>
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<td>Mr. O. Mosnesset*</td>
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<td>Mr. P. Temboury</td>
<td>Spain</td>
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<td>Prof. T. Gustafson</td>
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<td>Sweden</td>
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<td>Mr. R. Bieri</td>
<td>Switzerland</td>
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<td>Mr. R. St.J. Walker</td>
<td>United Kingdom</td>
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<td>Mr. R.G. Elkington</td>
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<th><strong>CERN Officials:</strong></th>
<th>Mr. S.A. ff Dakin</th>
<th>Directorate Member for Administration</th>
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<tr>
<td>Dr. M.G.N. Hine</td>
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<td>Directorate Member for Applied Physics</td>
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<td>Mr. C. Tièche</td>
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<td>Division Leader, Finance Division</td>
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<td>Mr. R. W. Penney</td>
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<td>Deputy Division Leader, General Administration Division</td>
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<td>Mr. F. Schou Olsen</td>
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<td>Deputy Division Leader, General Administration Division</td>
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* Adviser
1. APPROVAL OF THE DRAFT MINUTES OF THE FORTY-FOURTH MEETING
   (Item 1 of the Agenda) (CERN/FC/542/Draft)

   Mr. DAKIN said that the Administration wished to apologize
   for the fact that most of the Finance Committee papers had come out
   late. This was due to the considerable amount of work involved in
   typing and translating the Report of the Working Party (CERN/442)
   and the Draft Four-Year Programme for CERN (CERN/443), at the same
   time as preparations had to be made for the Rochester Conference.

   The CHAIRMAN thanked Mr. Dakin and said that the Finance
   Committee realized that the Administration had been very hard pressed
   in the last few months.

   It was agreed to postpone consideration of the Draft Minutes
   of the Forty-fourth Meeting (CERN/FC/542/Draft) until the next
   meeting.

2. ADOPTION OF THE AGENDA (Item 2 of the Agenda) (CERN/FC/543)

   The Agenda (CERN/FC/543) was adopted.

3. REPORT OF THE WORKING PARTY ON THE CERN PROGRAMME AND BUDGET
   DRAFT FOUR-YEAR PROGRAMME FOR CERN (Item 3 of the Agenda) (CERN/442, CERN/443)

   The CHAIRMAN observed that it would not be appropriate for
   the Finance Committee to discuss the two documents (CERN/442, CERN/443)
   in detail until it had been requested to do so by the Council. A
   preliminary examination of these documents by the Committee might,
   however, prove useful to the Council.

   Dr. HINE explained that the paper on the draft four-year
   programme for CERN (CERN/443) should be regarded as the continuation
   of paper CERN/FC/506. It had been prepared as part of CERN's own
   planning exercises and contained information given to the Working
   Party on the CERN programme and budget. This information comprised a
   range of programmes principally differing in the rate of staff built
   up to achieve a certain total, but also pointing out when certain
   policy decisions affecting, for example, the use of the cyclotron or
   education programmes had to be taken.

   He wished to correct a factual error in the illustrative table,
   on Page 18 (CERN/443): the figure of 79.5 million, shown under the
   column "Actual" should be "80.5 million"; the figures in the next
   column should be adjusted accordingly.
Mr. BANNIER remarked that Dr. Hine's explanations dispelled some of the fears he had felt when reading document CERN/443, where the rate of development considered to be optimum by the Working Party appeared to be reduced to the status of minimum rate.

The CHAIRMAN observed that such questions as the effect of inflation on the CERN budget and the staff/expenditure ratio might now be considered.

Mr. DAKIN explained that, in the CERN budget, two items were directly affected by inflation, namely salaries and building costs, since all building contractors in the Geneva area whether Swiss, French or Italian worked out building costs according to a formula based on wages in the building trades.

It was more difficult, however, to work out the precise effect of inflation on the items which CERN purchased in the various countries. The general tendency was for CERN to obtain favourable prices from a firm that tendered for the first time, because there was a question of prestige involved in being a supplier of CERN. However, it was often more difficult to secure such favourable prices from that firm when it tendered for a second time. Accordingly, it was not surprising that, on some occasions, contracts might be 5 to 10% above the expected figure.

Mr. BANNIER pointed out that the Working Party was definitely opposed to making provisions for the CERN budget to follow automatically price and salary rises. The decision to raise salaries and budgets, in order to take inflation into account, must be taken by the Council on every specific occasion.

Mr. COURTILLET said he wished to make a few general remarks on the Report of the Working Party (CERN/442). The French scientific and financial authorities had been able to give some consideration to this document and they were in broad agreement with its general conclusions. Accordingly, the French Government was likely to make a fairly substantial effort for 1963.

However, to determine what was expected of them, the Member States should, in his opinion, base their calculations on the contributions they were expected to pay and not on the expenditure figures. Accordingly, the base figure for 1962 should be 78 million and not 79.5 million.
Dr. HINE observed that the expenditure figure had been used in all the discussions with the Working Party because miscellaneous income making up the difference between the two figures could not be predicted accurately.

Mr. COURTILLET pointed out that, if miscellaneous income did not rise, the use of 78 million as a base figure instead of 79.5 million would result in the 1965 figure being 4% lower.

Dr. HINE said that it was equally realistic to assume that miscellaneous income would rise proportionately with the budget.

The CHAIRMAN proposed that the Administration should look into the question raised by Mr. Courtillet before the next meeting of the Finance Committee.

It was so agreed.

Mr. SOMMERFELT said that the Norwegian Delegation was not in a position to agree to the conclusions of the Working Party for the time being. It had not had time to consider the Report (CERN/442) and had not had any advance notice of its contents, since it was not represented on the Working Party.

4. PAYMENT OF RESEARCH COMMITTEE MEMBERS (Item 4 of the Agenda) (CERN/FC/544)

Mr. WALKER observed that, if physicists attending the smaller meetings of the Track Chamber and Emulsion Experiments Committees represented the body of physicists working in that particular field, it would be fair that CERN should pay for them.

Mr. DAKIN explained that all the institutes in the Member States interested in the CERN track chamber and emulsion experiments were represented direct at the larger Track Chamber and Emulsion Experiments meetings. With the exception of one member, all the physicists attending the smaller Track Chamber and Emulsion Experiments Committee meetings represented their own institutes and, in some cases, an institute working in close co-operation with them.
Mr. WALKER remarked that, if a scientist represented several institutes at one of the smaller meetings, he should be paid from the CERN budget.

Dr. HINE pointed out that there was one practical difficulty in following the line advocated by Mr. Walker. The scientists who attended the Committee meetings also took part in experiments at CERN; in the latter capacity, they were paid by their own institutes. If an institute wanted films or emulsions from an experiment, it had to send one or several scientists to help with the runs or the exposures. It was therefore difficult in practice to draw a distinction between the times when a scientist was working for his own group and those when he was working for several groups.

The meeting was adjourned at 11.15 a.m. and resumed at 11.35 a.m.

The CHAIRMAN said that the Swedish Delegation might find the Administration's proposals (CERN/FC/544) acceptable, provided the list of Committee members was circulated to national delegations so that the delegations should know the names of the scientists whose expenses had to be reimbursed.

Professor BØGGILD said that the Danish Delegation favoured the proposals put forward by the Administration (CERN/FC/544).

Mr. BANNIER said that the Netherlands Delegation supported the Administration's proposals (CERN/FC/544). His Delegation felt that, on the whole, the collaboration of scientists from the Netherlands with CERN in that connection was of great benefit to their country. Moreover, the system advocated by the Administration enabled delegations to appoint substitutes for the members of the Committees, whenever the latter were unable to attend a meeting.

Mr. WALKER said that, although he considered the course he advocated to be the fairest, he was prepared to withdraw his objections to the Administration's proposals (CERN/FC/544), in view of the administrative difficulties which had been pointed out.

The Administration's proposals (CERN/FC/544) were approved.
5. ACCOUNTS FOR THE FINANCIAL YEAR 1961 (Item 5 of the Agenda)

Mr. WALKER, referring to the table showing stock fluctuations of raw materials and spare parts for 1961, remarked that the amount of stock held in some of the stores appeared to be equivalent to one year's consumption. He wondered if this figure was not rather high.

Mr. TIECHE explained that a certain quantity of the stock held was necessary for repairs and replacements in the event of breakdowns. Accordingly, the remainder of the stock only amounted to 3-4 months' supply.

Mr. WALKER, referring to the Balance Sheet on page 127, asked what the Administration intended to do about the fund for special contributions of 1 542 800 Swiss francs.

Mr. DAKIN said that the question raised by Mr. Walker had been discussed on several occasions. The Administration had made it clear that, while the arrears of contributions remained as high as they were for the time being, the cash position of CERN might be very difficult at the end of the year unless the special contributions were retained as they had been up to date. If the special contributions were to be reimbursed, the Administration of CERN would have to be given special borrowing powers to make up for its lack of liquid resources.

Mr. BANNIER remarked that, if the budget system recommended by the Working Party was adopted by the Council, it might no longer prove necessary to have reserves of the kind provided by the fund for special contributions.

Mr. WALKER proposed that the Administration should prepare a paper for the October meeting of the Finance Committee, putting forward proposals concerning the fund for special contributions.

It was so agreed.

The Finance Committee agreed to recommend the Council to approve the Accounts for the financial year 1961.
6. **ANNUAL REPORT OF THE STAFF INSURANCE SCHEME FOR 1961** (Item 6 of the Agenda) (CERN/CA/11)

Mr. TIECHE remarked that, when the Staff Insurance Scheme had been set up in 1956, fears had been expressed that a staff of five to ten people would prove necessary to manage it. In fact, the Scheme was managed by the equivalent of 1 1/2 staff member.

The Committee approved the Annual Report of the Staff Insurance Scheme for 1961 (CERN/CA/11).

7. **OTHER BUSINESS** (Item 7 of the Agenda)

a) **Training and Education** (for information) (CERN/446)

The CHAIRMAN proposed that the Committee should take note of the paper on training and education (CERN/446) and that it should consider in October the financial implications of the proposals put forward in that paper.

It was so agreed.

b) **Next Meeting**

Mr. DAKIN pointed out that the Report of the Working Party (CERN/442) was likely to be referred to the Committee for consideration of certain specific points. The Committee would also have to consider the draft budget for 1963 and, if the recommendations of the Working Party were approved, some estimates for 1964. It seemed unlikely that the Committee would be able to do all that was expected of it by the end of the year if it did not meet before October. Accordingly, he had suggested to the Chairman that a further meeting of the Committee or of the Finance Committee Working Party should be held between now and October to start on the work on the lines he had mentioned and to consider a few urgent contracts.

The big contracts to be awarded before the autumn were for the low tension side of the new sub-station, for laboratory 4 of the SC and for laboratory 13, which was an extension of the new laboratory wing in the track chamber area.

The CHAIRMAN said that he was loath to assume alone the responsibility for approving the award of such large contracts. On the other hand, he saw little point in convening a meeting of the Finance Committee before the beginning of September, as several delegations would be unable to form definite views on the Report of the Working Party before then.
Mr. DAKIN proposed that for the award of the three big contracts, delegations should be consulted by correspondence.

Mr. COURTILLE and Mr. WALKER supported this proposal.

Mr. Dakin's proposal was approved.

It was agreed to hold the next meeting of the Finance Committee on 11 September, 1962.

c) Departure of Mr. Temboury

Mr. TEMBOURY said that this was unfortunately the last meeting he would attend, since he had been posted away from Geneva. Before going, he wished to tell the Committee how much he had appreciated the spirit of co-operation of all members whilst he had represented Spain on the Committee. He also wished to express his gratitude to the Chairman, the Director-General and Mr. Dakin for the understanding they had shown towards the problems he had had to put to them from time to time.

The CHAIRMAN said that he was very sorry to hear of the departure of Mr. Temboury who had ably represented his country on the Finance Committee. All members of the Committee were very glad that Spain was now able to participate in the work of CERN. He wished Mr. Temboury the best of luck in his new post.

Mr. DAKIN said that he would like to join the Administration's good wishes to those of the Chairman.

The meeting rose at 12.45 p.m.