1. In accordance with its terms of reference, the Working Party has considered the Report by the Executive Secretary on the Financing of the 1953 Budget (L/121) as well as the proposals for the Budget for 1954 (L/105 and L/105/Add.1) and submits the following recommendations to the CONTRACTING PARTIES:

I. FINANCIAL REPORT

2. The Working Party examined the financial administration of the secretariat on the basis of the data contained in the Executive Secretary's Report and of estimates of expenditure during the first eight months of 1953. The Working Party noted that it is expected that the total expenditure for 1953 will probably be more or less of the same magnitude as that for 1952.

3. On the basis of statements made by representatives of countries which have not yet been in a position to remit their current contributions, the Working Party is satisfied that practically all current contributions will be received before the end of the financial year. The contribution by Pakistan has already been received by the secretariat.

4. Finally the Working Party considered the suggestions made by the Executive Secretary in his Financial Report and wishes to recommend to the CONTRACTING PARTIES:

(a) to approve the audited accounts for 1952;

(b) to authorize the Executive Secretary to transfer to a special provision in the Balance Sheet, the assets of the Reserve corresponding to arrears of contributions for the financial years 1948/1949, 1950 and 1951 so that the Reserve will be composed only of liquid assets, outstanding contributions for the two immediately preceding financial years and other receivables;

(c) to authorize the Executive Secretary to write off the contributions to the 1953 Budget of any acceding government which has not become a contracting party before 31 December 1953.
II. ESTIMATES OF EXPENDITURE FOR 1954

5. The Working Party compared the Estimates of Expenditure for 1954 submitted by the Executive Secretary with the estimates for 1953, the actual expenditure for 1952 and the expenditure for 1953 as at 31 August 1953. After a careful examination of all items of expenditure, the Working Party concluded that the assumption on which the Executive Secretary's proposals were based were reasonable and decided to recommend to the CONTRACTING PARTIES the adoption of the estimates contained in Annex A.

6. This recommendation is made on the understanding that, if decision is taken by the CONTRACTING PARTIES regarding the general review of the Agreement involving extraordinary expenditure in the course of 1954, such expenditure would be met by the use of such funds as are left at the disposal of the Executive Secretary in accordance with paragraph 5 of the Draft Resolution on the expenditure of the CONTRACTING PARTIES in 1954 and the ways and means to meet such expenditure annexed to this Report, and that the Executive Secretary should submit to the Ninth Session of the CONTRACTING PARTIES a detailed statement of such expenditure. Provision should be made in the Budget for 1955 covering that expenditure by means of an increase in the contributions for that year.

III. INCOME BUDGET FOR 1954

7. The Working Party recommends that the Budget for 1954 be financed by miscellaneous income estimated at $2,500 and contributions from contracting parties. If these proposals are approved, the total contributions for 1954 would be slightly lower than those for 1953 ($342,000 as compared with $351,000), the individual assessments, remaining at the same level as in 1953. The scale of assessments is contained in Annex C and has been computed on the assumption that Uruguay would be a contracting party in 1954.

8. The Working Party recommends that the contributions for 1954 should be remitted as early as possible and, in any case, not later than 30 April 1954.

IV. DISPOSAL OF 1953 SURPLUS

9. The Working Party agreed with the suggestion of the Executive Secretary that an amount of $36,773.87 of the cash surplus for the current year should be used for the repayment of the balance of the debt to the United Nations Working Capital Fund. As indicated in document L/105/Add.1 paragraph 4, the CONTRACTING PARTIES decided at their Seventh Session that the repayment to the United Nations of the balance should be "a first charge on any cash surplus which may accrue in 1953 and following years". It appears to the Working Party that there is every reason for liquidating that debt in the course of this year as contemplated in the Resolution of the United Nations General Assembly. To enable the Executive Secretary to complete the repayment within the time limit laid down by the General Assembly the Working Party recommends that the Executive Secretary
should be authorized in accordance with paragraph 4 of the Resolution on the expenditure of the CONTRACTING PARTIES in 1953 to advance $36,773.87 from the Reserve and to transfer the corresponding amount from the Cash Surplus to the Reserve at the end of the fiscal year.

10. The Working Party also agreed that the setting up of a Repatriation Grant Fund was justified by the smallness of the budget figures and the relative magnitude of the liabilities involved. It recommends therefore that an amount corresponding to the acquired rights of the staff on 31 December 1953 not exceeding $14,000 should be taken from the 1953 Cash Surplus and transferred to that new Fund to which the budgetary appropriations under "Repatriation Grants" should be transferred every year and from which actual payment on account of repatriation grants would be made.

11. As regards any balance remaining after those transfers have been made and any payments which may be received in 1954 on account of contributions for 1949, 1950, 1951, 1952 and 1953 and other receivables outstanding on 31 December 1953, which will probably represent a small amount, the Working Party recommends that they should be transferred to the reserve set up on 27 November 1950.

V. OTHER ADMINISTRATIVE QUESTIONS

12. The Working Party in its examination of the appropriation for "Contributions to Staff Benefit Fund" observed that the contributions of 21 per cent from the Organization and the staff represented the same percentages as those required for participation in the United Nations Joint Staff Pension Fund but that the Staff Benefit Fund did not at the present time offer to the staff the same advantages as the United Nations Pension Scheme. The reasons which have prevented the ICITO staff from joining the United Nations Joint Staff Pension Scheme are set out in document W.8/4. It appears to the Working Party that this interim arrangement could not last much longer without advantages both for the staff members and for the contracting parties who contribute an amount covering all the benefits provided under the United Nations Joint Staff Pension Fund. It recommends therefore that the CONTRACTING PARTIES should support the Executive Secretary in its discussion with the United Nations authorities and that each government party to the General Agreement on Tariffs and Trade draw the attention of their delegations at the General Assembly to this problem and to instruct them to give sympathetic consideration to any proposal which would enable the ICITO staff members to join the United Nations Pension Scheme as early as 1954.

13. The Working Party in its examination of the appropriation provided for the Ninth Session considered whether an increase in that appropriation would enable the CONTRACTING PARTIES to reduce the duration of the Session as such an increase might enable the Executive Secretary to increase the administrative facilities in such a manner as to expedite the discussion of the agenda items. On the basis of the information at its disposal the Working Party has come to the
conclusion that the present administrative arrangements are adequate to enable two meetings to be held simultaneously and that in spite of financial limitations these arrangements should not prevent the CONTRACTING PARTIES from shortening the length of the Session, provided that the proceedings are not delayed at the beginning or in the course of the Session by means which are not under the control of the secretariat. The Working Party recommends that the flexible arrangements made for earphones and simultaneous interpretation during the plenary meetings should be continued next year, and that, if necessary, the Executive Secretary should draw on the provision for "Unforeseen" since this additional cost was not included in the estimates for the Ninth Session. It suggests also that the Ad Hoc Committee on Agenda and Intersessional Business might examine the possibility of preparing in advance a more detailed programme of work for the Session in order to avoid undue delays in the examination of items on the agenda and to enable the experts whose presence is required for the examination of certain items to be available when the items are discussed.

14. In accordance with the decision taken by the CONTRACTING PARTIES at their Seventh Session the Executive Secretary shall make the necessary arrangements with the Secretary-General of the United Nations for the auditing of the 1953 accounts by the United Nations Inspection Service and for the submission to the CONTRACTING PARTIES of the audit report.

VI. CONCLUSION

15. The Working Party submits to the CONTRACTING PARTIES for consideration and approval a draft resolution on the expenditure of the CONTRACTING PARTIES in 1954 and ways and means to meet such expenditure.
DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES IN 1954 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE

The CONTRACTING PARTIES

HAVING considered the estimates of expenditure of the CONTRACTING PARTIES during 1954, as set forth in the Schedules annexed to this Resolution,

RESOLVE that:

1. The Executive Secretary is authorized to repay promptly ICITO for services rendered during the year 1954, provided that such repayment does not exceed a total of U.S. $ 344,500.00.

2. The repayment referred to in paragraph 1 shall be financed as follows:
   a) by contributions from contracting parties for an amount of U.S. $ 342,000.00;
   b) by miscellaneous income estimated at U.S. $ 2,500.00.

3. The Executive Secretary is authorized to pay to ICITO, in consideration of services rendered before 1951, an amount of U.S. $ 36,773.87 to be drawn from the Reserve set up on 27 November 1950.

4. The Executive Secretary is authorized to transfer from the Cash Surplus to a Repatriation Grant Fund an amount corresponding to the rights acquired by the staff to such grants as on 31 December 1953, up to a maximum of $ 14,000.00.

5. Any cash balance as at 31 December 1953 in excess of the amount transferred in accordance with paragraph 4 above and payments of outstanding contributions for 1949, 1950, 1951, 1952 and 1953 and other receivables which may be received in 1954, shall be left at the disposal of the Executive Secretary for use as approved by the CONTRACTING PARTIES, provided that such approval shall not be necessary to finance approved expenditure in 1954 pending receipt of contributions.

6. The Executive Secretary shall report to the CONTRACTING PARTIES at the Ninth Session on the status of budgetary expenditure including all commitments entered into to meet unforeseen and extraordinary expenses.

7. The contributions of the contracting parties in 1954 shall be assessed in accordance with the scale of contributions set forth in Annex C to this Resolution. Contributions from present contracting parties are considered as due and payable in full as from 1 January 1954. In the case of an acceding government the contribution is considered as due and payable in full as from 1 January 1954 or the date on which this government becomes a contracting party, whichever is the later.
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<th>CATEGORY</th>
<th>SHARE OF TOTAL TRADE</th>
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<th>TOTAL NUMBER OF UNITS</th>
<th>CONTRIBUTION PER COUNTRY</th>
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