GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
LIMITED C
CP.6/W/24/Rev.1
23 October 1951
ORIGINAL:ENGLISH

CONTRACTING PARTIES
Sixth Session

DRAFT REPORT OF WORKING PARTY 5 ON BUDGETARY MATTERS

1. In accordance with its terms of reference, the Working Party has considered the Financial Report of the Executive Secretary (GATT/CP.6/15) and the proposals for the budget of 1952 submitted by the Executive Secretary (GATT/CP.6/10 and Add.1) and submits the following recommendations to the Contracting Parties:

I. Financial Report

2. The Working Party noted with satisfaction that, with the exception of Section 8 Printing, the expenditure for 1951 will be within the appropriations approved by the Contracting Parties. The Working Party examined the programme of publications for the remainder of the financial year; it was satisfied that, in view of the rise in price of paper, a slight increase of the appropriation under Section 8 was justified. It recommends therefore that the Executive Secretary be authorized to transfer to Section 8 from unobligated balances in other sections of Part II of the Budget, an amount not exceeding £1,500.

3. The Working Party wishes to place on record the action taken by many contracting parties to remit their contributions in the early part of the year and expresses the hope that the representatives of all contracting parties will make the necessary arrangements with their financial authorities to ensure prompt payment of the 1952 contributions.

4. As regards the arrears of contribution of China, Lebanon and Syria, the Working Party recommends that the Contracting Parties record that the contributions of those governments are due and payable on the basis of the assessments approved by them at earlier sessions and instruct the Executive Secretary to take such action as he considers necessary to secure the prompt payment of those arrears.

5. As regards the payment of the contributions of Uruguay to the expenses of the Annecy and Torquay Conferences, the Working Party took note of the action taken by the Executive Secretary. It recommends that the Executive Secretary should inform the Uruguayan Government that the Contracting Parties have considered this question at their Sixth Session and have expressed the hope that prompt action would be taken to liquidate the arrears.

6. The Working Party considered the question raised by the Government of the Federal Republic of Germany in connection with its contribution to the expenses

of the Torquay Conference. It came to the conclusion that the special circumstances of the case justified a review of the assessment and recommends that the Contracting Parties decide that the payment of $5,000 made by the Government of the Federal Republic of Germany be regarded as a full discharge of the obligation of that government to contribute to the expenses of the Torquay Conference, on the understanding that that government would waive any claim on the 1950 surplus if the Contracting Parties decided at a later session to distribute the unobligated part of that surplus to the governments having contributed to the financing of the 1950 budget.

7. The Working Party wishes to place on record its appreciation of the valuable assistance rendered by the United Nations Inspection Service in the conduct of the auditing of the General Agreement accounts in previous years. It greatly appreciated the willingness of that Service to undertake the auditing of the General Agreement accounts for 1951 and recommends that the Executive Secretary be instructed to seek an agreement with the competent authorities of the United Nations to continue the same arrangements for the financial year 1952.

II. Estimates of Expenditure for 1952

8. The Working Party considered the estimates of expenditure in 1952 submitted by the Executive Secretary in GATT/CP.6/10 and GATT/CP.6/10/Add.1. It came to the conclusion that these estimates were justified and recommends therefore to the Contracting Parties the adoption of the estimates contained in Annex A. The total expenditure budgeted for amounts to $397,493 as compared with $403,281 in 1951.

9. The Working Party considered the budgetary implications of the proposal put forward by Working Party 3 on the Continuing Administration of the Agreement regarding the appointment of a third high-ranking official to the Secretariat. It noted that the manning table for 1952 contained in the budget proposals, recommended to the Contracting Parties, would enable the Executive Secretary to appoint a third high-ranking official, graded, D1, as head of the Trade Intelligence Unit. If the Contracting Parties decided to authorize the Executive Secretary to regrade that post from D1 to D2, in case such an adjustment would be necessary in order to give effect to the recommendation of Working Party 3, the additional expenditure would be so small that the Working Party did not feel it necessary to modify the appropriations on established posts for 1952. It considers therefore that the estimates of expenditure for 1952 as submitted to the Contracting Parties have the necessary flexibility to enable the Executive Secretary to give effect to the proposal of Working Party 3 on the Continuing Administration of the Agreement.

10. The Working Party recommends that the Contracting Parties authorize the Executive Secretary to repay to ICITO the expenses of their Second Session, in accordance with the decision taken in September 1948 and to include the necessary appropriation in their budget estimates for 1952.

11. In accordance with the practice followed in the preceding years, the Working Party recommends that a provision for unforeseen expenditure on items

included in the Budget amounting to 10% of Parts I and II of the appropriations be included in the budget for 1952, on the understanding that the Executive Secretary will report at the Seventh Session on the status of budgetary expenditure including all commitments entered into to meet unforeseen and extraordinary expenses.

III. Income Budget for 1952

12. The Working Party recommends that the budget for 1952 be financed by a carry forward of $82,193 from the cash balances on hand at December 31, 1951, miscellaneous income estimated at $3,000 and contributions for contracting parties.

13. If that proposal is approved, the total contributions for 1952 would be approximately the same as those for 1951 ($312,300 as compared with $319,781). The individual assessments contained in Annex C to the Draft Resolution on ways and means have been computed on the basis of the present membership of the Contracting Parties and on the assumption that Korea, the Philippines and Uruguay will become contracting parties in 1952.

14. The Working Party recommends that the contributions for 1952 should be remitted as early as possible and, in any case, not later than April 30, 1952.

IV. 1951 Surplus

15. The Working Party agreed with the suggestions made by the Executive Secretary on this point and has included in the Draft Resolution on ways and means provisions similar to those approved by the Contracting Parties at their Fifth Session regarding the surplus of the 1951 budget. It is therefore recommended that:

(a) the surplus of the financial year 1951, up to an amount of $82,193 be appropriated to cover 1952 expenditure, and that

(b) any balance from the 1951 cash surplus at 31 December 1951 in excess of $82,193 payments received on account of contributions for 1951 outstanding on 31 December 1951 and other receivables be transferred to the reserve set up on 27 November 1950.

In accordance with the arrangements approved at the Fifth Session, that reserve could be used to finance expenditures authorized in the 1952 budget pending delay in receipt of contributions as well as extraordinary expenditure which may be approved by the Contracting Parties but which are not specifically provided for in the budget estimates for 1952.

16. The Working Party is of the opinion that, if those arrangements are approved by the Contracting Parties, it would not be necessary to consider at this session the question of the establishment of a Working Capital Fund.

V. Conclusions

17. The Working Party submits to the Contracting Parties for consideration and approval a draft resolution on the expenditure of the Contracting Parties in 1952 and ways and means to meet such expenditure.

DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES IN 1952 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE

The CONTRACTING PARTIES

HAVING considered the estimates of expenditure of the Contracting Parties during 1952, as set forth in the Schedules annexed to this Resolution,

RESOLVE that:

1. The Executive Secretary is authorized to repay promptly ICITO

   a) for services rendered during the year 1952, provided that such repayment does not exceed a total of U.S. $379,483, and

   b) for services rendered in connection with the Second Session of the Contracting Parties amounting to $18,010.

2. The repayments referred to in paragraph 1 shall be financed as follows:

   a) by contributions from contracting parties for an amount of U.S. $312,300;

   b) by drawing on the cash balances available on December 31, 1951 up to an amount of U.S. $82,193; and

   c) by miscellaneous income estimated at U.S. $3,000.

3. Any balance from the cash surplus as at December 31, 1951 in excess of U.S. $82,193 and payments of outstanding contributions for 1949, 1950 and 1951 which may be received in 1952, 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 1952 pending delay in receipt of contributions.

4. The Executive Secretary shall report to the Contracting Parties at the Seventh Session on the status of budgetary expenditures including all commitments entered into to meet unforeseen and extraordinary expenses.

5. The contributions of the contracting parties in 1952 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 January 1, 1952. In the case of an acceding government the contribution is considered as due and payable in full as from January 1, 1952 or the date on which this government becomes a contracting party, whichever is the later.

ANNEX A

ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1952

		Amount in U.S. Dollars	
Part I: MEETINGS			
Section			
1	Seventh Session of the Contracting Parties	25,000	
2	Intersessional meetings	15,000	
	Total Part I		40,000
Part II: Secretariat			
1	Salaries and Wages	187,483	
2	Common Staff Costs	43,500	
3	Common Services	36,000	
4	Printing	12,000	
5	Hospitality	1,000	
6	Permanent Equipment	25,000	
	Total Part II		304,983
	Total Parts I & II		344,983
Part III: Special Expenses			
1	Repayment to ICITO of expenses of the Second Session		18,010
Part IV: Unforeseen			34,500
	Grand Total		$ 397,493

ANNEX B.

ESTIMATES OF EXPENDITURE OF THE FINANCIAL Year 1952

Detailed Schedules

	Amount in U.S. Dollars
PART I: Section 1. 7th Session of the Contracting Parties	
(i) Temporary Assistance (and overtime)	5.500
(ii) Travel and subsistance of staff	500
(iii) Rental of meeting-rooms and additional office space	3.100
(iv) Documents reproduction and distribution	5.000
(v) Translation	8.500
(vi) Communications, Office Supplies and other services	2.400
	$25.000
PART I: Section 2. Intersessional Meetings	
(a) MEETINGS OF THE AGENDA AND INTERSESSIONAL BUSINESS COMMITTEE	
(i) Temporary Assistance	1.200
(ii) Rental of Meeting Room	1.000
(iii) Documents Reproduction and Distribution	1.800
(iv) Translation	500
(v) Other Common Services	500
	$5.000
(b) OTHER INTERSESSIONAL MEETINGS	$ 10.000
PART II: Section 1. Salaries and Wages	
(i) Established Posts	167.483
(ii) Temporary Assistance	5.000
(iii) Travel on Official Business	15.000
	$ 187.483

			Amount in U.S. Dollars
Part II:	Section 2.	Common Staff Costs	
	(i)	Travel and Removal Expenses of Staff and Dependants	12,000
	(ii)	Termination Payments	1,000
	(iii)	Contributions to Staff Benefit Fund	16,000
	(iv)	Repatriation Grants	2,000
	(v)	Travel on Home Leave	4,500
	(vi)	Children's Allowance and Education Grant and Related Travel	3,000
	(vii)	Other Staff Benefits	5,000
			43,500
Part II:	Section 3.	Common Services	
	(i)	Cable, Telegraph, Wireless Communications and Long-Distance Telephone	4,000
	(ii)	Freight, Cartage and Express (excluding air freight)	2,000
	(iii)	Air Freight	1,000
	(iv)	Books and Information Material	1,000
	(v)	Rental & maintenance of premises & equipment	10,500
	(vi)	Postal Services	2,500
	(vii)	Stationery and Office Supplies	1,800
	(viii)	Reproduction and Distribution of Documents	7,200
	(ix)	Translation	4,500
	(x)	Other Services and Miscellaneous Expenditure	1,500
			36,000
Part II:	Section 4.	Printing	
	(i)	Trade News Bulletin	2,000
	(ii)	Pamphlets and Other Publications	10,000
			12,000
Part II:	Section 5:	Hospitality	1,000
Part II:	Section 6:	Permanent Equipment	
	(i)	Furniture (desks, chairs, etc.)	10,000
	(ii)	Filing cabinets, Shelves, etc.	3,500
	(iii)	Typewriters and Other Equipment	6,000
	(iv)	Miscellaneous Expenditure	8,500
			25,000
Part III:	Section 1.	Special Expenses	
		Repayment to ICITO of Expenses of the Second Session.	18,010

ANNEX C

SCALE OF CONTRIBUTIONS FOR 1952

(1) Unit - $ 2,669.25

CATEGORY	SHARE OF TOTAL TRADE	CONTRACTING PARTIES IN THE CATEGORY	No of COUNTRIES	UNITS PER COUNTRY 1)	TOTAL NUMBER OF UNITS	CONTRIBUTION PER COUNTRY	TOTAL CONTRIBUTIONS
A	20% or more	United Kingdom, United States	2	20	40	$ 53,385.-	$ 106,770.-
B	10% or more, but less than 20%	Nil	Nil	10	Nil	$ 26,692.50	Nil
C	7% or more, but less than 10%	France	1	7	7	$ 18,684.75	$ 18,684.75
D	5% or more, but less than 7%	Canada	1	5	5	$ 13,346.25	$ 13,346.25
E	2% or more, but less than 5%	Australia, Belgium, Brazil, German Federal Republic, India, Italy, Netherlands, Sweden, Union of South Africa	9	4	36	$ 10,677.-	$ 96,093.-
F	1% or more, but less than 2%	Cuba, Czechoslovakia, Denmark, New Zealand, Norway	5	2	10	$ 5,338.50	$ 26,692.50
G	less than 1%	Southern Rhodesia, Austria, Burma, Ceylon, Chile, Turkey Dominican Republic, Finland, Greece, Haiti, Indonesia, Korea, Liberia, Uruguay Luxembourg, Nicaragua, Pakistan, Peru, Philippines,	19	1	19	$ 2,669.25	$ 50,715.75
	Total		37		117		$ 312,302.25