

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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DIRECTOR-GENERAL'S FINANCIAL REPORT

ON THE 1967 ACCOUNTS

and

REPORT OF THE EXTERNAL AUDITOR THEREON

DIRECTOR-GENERAL'S FINANCIAL REPORT ON THE 1967 ACCOUNTS

1. The Director-General hereby submits his report on the accounts of the General Agreement on Tariffs and Trade for the financial year ended 31 December 1967.
2. The annual accounts are presented in US dollars. The accounting records are kept in Swiss francs; the conversion of the 1967 accounts has been calculated at the rate of Swiss francs 4.32 to one US dollar. This rate has been applied since 1 January 1962 in accordance with the decision taken by the Controller of the United Nations, subsequently followed by the Geneva-based specialized agencies.

GENERAL FUND3. Income and Expenditure Account (Statements 1 and 2)(i) Income(a) ContributionsUS dollars

At the adoption of the income budget, 1967 contributions were assessed on contracting parties in the amount of

3,000,500

During 1967 the following contributions were assessed on three new contracting parties:

US dollars

Barbados  
Korea  
Ireland

3,000  
6,460  
419

Deduct:

Adjustment of the United Kingdom contribution due to the accession to GATT of Barbados

(992)8,8863,009,386

Of the total assessed contributions for 1967, collections as at 31 December 1967 amounted to US\$2,880,539.71.

(b) Miscellaneous income

For 1967 miscellaneous income amounted to US\$123,435.94 against an estimate of US\$50,000. The excess of income over the estimate was mainly due to: (a) the income from the sale in 1967 of the 1964-1967 Trade Conference Protocol which was not budgeted for (US\$20,000) and the increased sale of the International Trade Centre publications in 1967 (US\$4,000); (b) the increased income from investments (US\$17,000) as a consequence of high interest rates obtained on short-term investments and of the early collection of a large part of the contributions; (c) the funds received for administrative overhead costs relating to the Dag Hammarskjöld Training Course on export promotion (US\$6,600); and (d) the reimbursement by the International Bank for Reconstruction and Development of staff costs incurred in connexion with the Korean Export Study undertaken by GATT (US\$12,950). The details compared with those of 1965 and 1966 are as follows:

	<u>1965</u> <u>US dollars</u>	<u>1966</u> <u>US dollars</u>	<u>1967</u> <u>US dollars</u>
Sale of publications	7,340.22	8,002.73	33,529.65
Income from investments	25,213.99	32,109.93	51,424.00
Profit on sale of securities	-	23.75	-
Profit on exchange	3,487.30	3,342.50	4,379.39
Savings on previous year's outstanding obligations	1,209.95	1,459.75	3,015.05
Funds received for administrative overhead costs relating to training course	-	-	6,600.00
Reimbursement of staff costs for service rendered	-	-	12,950.00
Other income	4,010.88	4,418.21	11,537.85
	<u>41,262.34</u>	<u>49,356.87</u>	<u>123,435.94</u>

Interest earned on the Working Capital Fund is included in the above reported "Income from investments".

"Other income" for 1967 includes the following:

	<u>US dollars</u>
Bank interest on current accounts	1,729.96
Staff loaned to various organizations	3,070.00
Refund of prior year's expenditure	1,460.67
Work done for delegations and others	4,150.92
Refund of the organization's contribution to the United Nations Joint Staff Pension Fund in respect of participant withdrawals	311.69
Bonus on insurance premiums and reimbursement of claims	465.49
Author's fees	319.81
Sale of supplies, equipment and waste paper	21.18
Overpayments	8.13
	<hr/>
	11,537.85
	<hr/>

(ii) Expenditure

(a) Appropriations for the financial year 1967 were approved by the CONTRACTING PARTIES at a level of US\$3,050,500. As shown in Statement 2, obligations incurred in 1967 totalled US\$2,906,659.87, of which US\$77,739.42 were unliquidated as at 31 December 1967, leaving an unencumbered balance of US\$143,840.13. This surplus resulted mainly from: (a) savings on the section for meetings due to a reduced number of meetings held in 1967; (b) savings on the section for salaries and wages and official travel due to the fact that a number of posts including those of the Deputy Director-General and an Assistant Director-General remained unfilled during various periods of the year, and that the approved credits providing for increases in the general services category scales and for an additional class in the scale of post adjustment for the professional category were not fully used; (c) savings on the section for travel due to the prolonged absence of the Assistant Director-General in charge of external relations and the postponement of the second UNCTAD in New Delhi from 1967 to 1968.

(b) In connexion with the running of the two staff canteens, subsidies in the form of free accommodation, electricity, heating, water supply, insurance premiums, etc., were charged to the relevant budget items in 1967. In addition, expenditure was incurred for the purchase of equipment (US\$1,002.77) and for overtime worked by the cafeteria staff during the Trade Negotiations Conference and session (US\$410.59).

4. Statement of Assets and Liabilities as at 31 December 1967 (Statement 3)

(i) Assets

(a) Contributions receivable from contracting parties amounted to US\$229,355.20 as at 31 December 1967. These arrears concerned the following countries:

	<u>1962/1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Argentina	-	-	-	24,600.00	24,600.00
Burundi	-	-	-	3,000.00	3,000.00
Cambodia	-	-	-	3,000.00	3,000.00
Chad	-	-	-	2,959.46	2,959.46
Chile	-	-	-	2,524.83	2,524.83
Congo (Brazzaville)	-	-	-	3,000.00	3,000.00
Dominican Republic	(1962) 5,624.00 (1963) 5,750.00 (1964) 6,600.00 <u>17,974.00</u>	8,740.00	11,640.00	9,000.00	47,354.00
Ghana	-	-	11,640.00	9,000.00	20,640.00
Greece	-	-	470.00	15,000.00	15,470.00
Haiti	(1963) 2,492.11 (1964) 2,500.00 <u>4,992.11</u>	2,500.00	2,500.00	3,000.00	12,992.11
Indonesia	-	-	11,640.00	15,000.00	26,640.00
Ireland	-	-	-	419.00	419.00
Nicaragua	-	-	-	3,000.00	3,000.00
Niger	-	-	-	40.00	40.00
Peru	-	132.80	11,640.00	15,000.00	26,772.80
Rhodesia	-	-	11,640.00	9,000.00	20,640.00
Rwanda	-	-	-	3,000.00	3,000.00
Uganda	-	-	-	5,303.00	5,303.00
Upper Volta	-	2,500.00	2,500.00	3,000.00	8,000.00
	<u>22,966.11</u>	<u>13,872.80</u>	<u>63,670.00</u>	<u>128,846.29</u>	<u>229,355.20</u>

(b) Contributions receivable from countries having withdrawn from the Agreement

Syria still owes US\$5,337.68 in respect of 1950 and 1951.

(c) Miscellaneous accounts receivable

Miscellaneous accounts receivable as at 31 December 1967 amounted to US\$86,517.01 representing advances to staff members on separation payments of US\$11,574.07, on education grants of US\$15,485.65 and other small items of US\$13,449.61. Outstanding invoices in respect of sale of publications and services rendered amounted to US\$46,007.68, of which invoices for US\$1,804.63 were issued in 1966 and earlier.

(ii) Liabilities

(a) Loans in respect of buildings

Of the interest-free loan of US\$220,243.11 (Swiss francs 951,450.25) granted by the Geneva authorities to finance the construction of the first Annex for the secretariat, the balance to be reimbursed amounted to US\$34,354.22 (Swiss francs 148,410.25) at 31 December 1967. As regards the construction of the second Annex, of the total loan of US\$145,000 (Swiss francs 626,400) granted in 1965 by the FIPOI (Fondation Immobilière pour les Organisations Internationales) at an interest of 3½ per cent, the balance to be reimbursed amounted to US\$87,000 (Swiss francs 375,840) at 31 December 1967.

(b) Provision for contributions in arrears

US\$234,692.88 cover all contributions in arrears as at 31 December 1967.

WORKING CAPITAL FUND

5. The principal of the Working Capital Fund amounted to US\$358,874 as at 31 December 1967. In addition, an amount of US\$14,354.12 resulting from the revised assessment of advances to the Fund (document L/2482), and US\$619.53 resulting from the dissolution of the former Federation of Rhodesia and Nyasaland (document L/2324) stood to the credit of Governments' accounts. US\$193,696.58 were held in cash, and short-term investments and US\$90,875.96 in long-term investments.

(i) Assessment of advances

During 1967 the following advances were assessed on three new contracting parties:

	<u>US dollars</u>
Barbados	1,768.00
Korea	1,776.00
Ireland	1,821.00
	<u>5,365.00</u>

At 31 December 1967 nine contracting parties had not paid their full shares, totalling US\$3,361.98.

(ii) Withdrawals

At 31 December 1967 a total of US\$85,913.13 had been withdrawn (1966 advances) which will be repaid out of the 1968 budget.

(Signed)  
E. Wyndham White  
Director-General a.i.

(Signed)  
H.Ph. Sobels,  
Director,  
Administrative and Financial Division

CERTIFICATE OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE GENERAL  
AGREEMENT ON TARIFFS AND TRADE FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 1967

The appended Statements, numbered 1 to 3, have been examined in accordance with my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of the audit, that, in my opinion, these Statements are correct.

(Signed)  
\_\_\_\_\_  
B.D. Fraser  
(Comptroller and Auditor General, Great Britain)  
External Auditor



GENERAL AGREEMENT ON TARIFFS AND TRADE  
Income and Expenditure Account for the Year ended 31 December 1967  
(in US dollars)

Statement 1

<u>EXPENDITURE</u>		<u>INCOME</u>	
1967 budget expenditure	2,906,659.87	Contributions assessed on contracting parties	3,000,500.00
Excess of income over expenditure	226,162.07	Additional contributions assessed on countries subsequent to adoption of scale of contributions	8,886.00
		Miscellaneous:	
		Sale of publications	33,529.65
		Income from investments	51,424.00
		Profit on exchange	4,379.39
		Savings on unliquidated obligations 1966	3,015.05
		Funds received for administrative overhead costs relating to Training Course	6,600.00
		Reimbursement of staff cost for services rendered	12,950.00
		Other income	11,537.85
	<u>3,132,821.94</u>		<u>123,435.94</u>
			<u>3,132,821.94</u>

(Signed)

E. Wyndham White  
Director-General a.i.

(Signed)

H. Ph. Sobels  
Director, Administrative and Financial Division

GENERAL AGREEMENT ON TARIFFS AND TRADE  
Statement of Budgetary Expenditure 1967  
(in US dollars)

Statement 2

	Original Appropriations	Authorized Transfers	Revised Appropriations	Expenditure Incurred	Obligations Unliquidated as at 31 December 1967	Total Expenditure	Balances
<u>PART I - MEETINGS</u>							
Section 1. Twenty-fourth session of the CONTRACTING PARTIES	23,000.00	466.35	23,466.35	20,811.26	2,655.09	23,466.35	--
2. Meetings of the Council and other meetings	45,000.00	(4,461.68)	40,538.32	13,549.13	548.88	14,098.01	26,440.31
3. Trade Negotiations Conference	29,000.00	3,995.33	32,995.33	32,785.72	209.61	32,995.33	--
Total PART I	97,000.00	--	97,000.00	67,146.11	3,413.58	70,559.69	26,440.31
<u>PART II - SECRETARIAT</u>							
Section 1. Salaries and wages and official travel	1,890,000.00	(22,107.69)	1,867,892.31	1,753,651.62	2,747.28	1,756,398.90	111,493.41
2. Common staff costs	488,400.00	--	488,400.00	476,164.80	6,464.42	482,629.22	5,770.78
3. Common services	205,350.00	20,084.42	225,434.42	196,081.54	29,352.88	225,434.42	--
4. Printing	98,000.00	1,916.80	99,916.80	65,739.16	34,177.64	99,916.80	--
5. Representation and hospitality	7,000.00	106.47	7,106.47	7,072.88	33.59	7,106.47	--
6. Permanent equipment	18,730.00	--	18,730.00	17,151.28	1,550.03	18,701.31	28.69
Total PART II	2,707,480.00	--	2,707,480.00	2,515,861.28	74,325.84	2,590,187.12	117,292.88
<u>PART III - BUILDINGS</u>							
Section 1. Annuity to Canton of Geneva in respect of First Annex	23,200.00	--	23,200.00	23,148.15	--	23,148.15	51.85
2. Annuity to FIPOI in respect of Second Annex	33,060.00	--	33,060.00	33,060.00	--	33,060.00	--
Total PART III	56,260.00	--	56,260.00	56,208.15	--	56,208.15	51.85
<u>PART IV - WORKING CAPITAL FUND</u>							
Section 1. Reimbursement of withdrawals	189,760.00	--	189,760.00	189,704.91	--	189,704.91	55.09
GRAND TOTAL	3,050,500.00	--	3,050,500.00	2,828,920.45	77,739.42	2,906,659.87	143,840.13

(Signed)  
E. Wyndham White  
Director-General a.i.

(Signed)  
H.Ph. Sobels  
Director, Administrative and Financial Division

## GENERAL AGREEMENT ON TARIFFS AND TRADE

Statement of Assets and Liabilities as at 31 December 1967  
(in US dollars)

Statement 3

[illegible]

(signed)

E. Wyndham White  
Director-General a.i.

(signed)

H.Ph. Sobels  
Director, Administrative and Financial Division

Schedule A

GENERAL AGREEMENT ON TARIFFS AND TRADE

GENERAL FUND

Investments held on 31 December 1967 (at cost)

(in US dollars)

SF.	27,000.00	4%	Bonds, Union of South Africa 1954, due 1 March 1966/69	6,187.50
US\$	10,000.00	3 5/8%	Bonds, City of Montreal 1955, due 1 October 1973	9,974.29
Can\$	20,000.00	3 1/2%	Bonds, International Bank for Reconstruction and Development 1954, due 1 June 1969	20,284.52
US\$	60,000.00	6 3/8%	Deposit Account with the International Credit Bank, Geneva	60,000.00
US\$	50,000.00	5 7/8%	Deposit Account with the International Credit Bank, Geneva	50,000.00
				<u>146,446.31</u>
				=====
			Market value as at 31 December 1967 .....	142,218.00

GENERAL AGREEMENT ON TARIFFS AND TRADE

WORKING CAPITAL FUND

Investments held on 31 December 1967 (at cost)

(in US dollars)

SF.	5,000.00	4%	Bonds, Congo Belge 1953, due 15 November 1967/78	1,157.41
SF.	13,000.00	4%	Bonds, Union of South Africa, 1954, due 1 March 1966/69	2,979.17
SF.	30,000.00	4%	Bonds, Union of South Africa, 1952 due 15 September 1964/70	6,975.09
US\$	25,000.00	4%	Bonds, City of Montreal 1954, due 1 October 1968/72	25,055.10
Can\$	40,000.00	3 1/2%	Bonds, International Bank for Reconstruction and Development 1954, due 1 June 1969	40,569.03
US\$	13,000.00	3 5/8%	Bonds, City of Montreal 1955, due 1 October 1973	12,966.57
US\$	2,000.00	3%	Bonds, Republic of Peru 1953 - Extension Loan, due 1 January 1997	1,173.59
US\$	143,117.02	6 3/8%	Deposit Account with the International Credit Bank, Geneva	143,117.02
US\$	50,145.83	6 3/8%	Deposit Account with the International Credit Bank, Geneva	50,145.83
				<hr/> 284,138.81
				=====

Market value as at 31 December 1967 ..... 274,359.00

GENERAL AGREEMENT ON TARIFFS AND TRADE  
Statement of Contributions as at 31 December 1967  
(in US dollars)

Schedule C

	<u>1948/1951</u>	<u>1952/1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Total</u>
Amounts assessed	<u>724,531.25</u>	<u>4,793,533.50</u>	<u>1,124,750.00</u>	<u>1,187,040.00</u>	<u>1,341,601.00</u>	<u>1,755,421.00</u>	<u>2,329,521.00</u>	<u>3,009,386.00</u>	<u>16,265,783.75</u>
<u>Collections:</u>									
1949	70,830.65								70,830.65
1950	284,394.65								284,394.65
1951	300,697.65	21,354.00							322,051.65
1952	42,681.22	293,499.70							336,180.92
1953		321,367.43							321,367.43
1954	2,687.25	358,722.47							361,409.72
1955		332,850.90							332,850.90
1956	3,550.43	394,650.51							398,200.94
1957		384,868.92							384,868.92
1958		426,810.00							426,810.00
1959		555,031.50							555,031.50
1960		686,897.98							686,897.98
1961		974,528.59	704.00						975,232.59
1962		16,912.47	1,070,490.00	804.84					1,088,207.31
1963		20,521.03	31,311.06	1,115,214.22	804.84				1,167,851.15
1964			12,605.91	51,270.94	1,261,006.77	20.84			1,324,904.46
1965	14,351.72	5,518.00	4,015.03	5,757.89	59,979.39	1,676,485.28			1,766,107.31
1966				5,750.00	10,710.00	65,042.08	2,208,072.83	100,836.00	2,390,410.91
1967							57,778.17	2,779,703.71	2,837,481.88
	<u>719,193.57</u>	<u>4,793,533.50</u>	<u>1,119,126.00</u>	<u>1,178,797.89</u>	<u>1,332,501.00</u>	<u>1,741,548.20</u>	<u>2,265,851.00</u>	<u>2,880,539.71</u>	<u>16,031,040.87</u>
Percentage	99.26%	100%	99.50%	99.31%	99.32%	99.21%	97.27%	95.72%	98.56%
Outstanding on 31 December 1967	<u>5,337.68</u>		<u>5,624.00</u>	<u>8,242.11</u>	<u>9,100.00</u>	<u>13,872.80</u>	<u>63,670.00</u>	<u>128,846.29</u>	<u>234,692.88</u>
Percentage	0.74%		0.50%	0.69%	0.68%	0.79%	2.73%	4.28%	1.44%

Schedule D

GENERAL AGREEMENT ON TARIFFS AND TRADE

FUNDS HELD IN TRUST

INTERNATIONAL TRADE CENTRE-DAG HAMMARSKJOLD FOUNDATION TRAINING  
COURSE IN EXPORT PROMOTION (1967)

Income and Expenditure Account for the Year ended 31 December 1967

(in US dollars)

Grant received from Dag Hammarskjold Foundation in 1967	62,720.00
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Add:

Interest earned on fixed term deposits	1,031.08	
Profit on exchange	<u>88.53</u>	<u>1,119.61</u>
		63,839.61

Deduct:

Cash disbursements during 1967:

Fees for Swiss Research Institute for Marketing and Distribution, St. Gall	18,499.70	
Trainees expenses (travel and stipends)	28,637.27	
Insurance	<u>953.70</u>	
	48,090.67	
Administrative overhead cost	<u>6,600.00</u>	<u>54,690.67</u>

Balance as at 31 December 1967 to be used for the printing of St. Gall lectures		<u>9,148.94</u> =====
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REPORT OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE  
GENERAL AGREEMENT ON TARIFFS AND TRADE FOR THE  
YEAR ENDED 31 DECEMBER 1967

GENERAL

1. In accordance with the Decision of the CONTRACTING PARTIES, the Financial Regulations and Rules of the United Nations are, as far as appropriate and for the time being, applied to the financial administration of the secretariat to the General Agreement on Tariffs and Trade. My examination has been carried out in accordance with those regulations and rules and with the financial Resolutions and Decisions of the CONTRACTING PARTIES.

OUTTURN

2. Appropriations authorized by the CONTRACTING PARTIES for 1967 were US\$3,050,500 against which total expenditure amounted to US\$2,906,659.87 (Statement 2), leaving an unencumbered balance of US\$143,840.13. The main savings, on secretariat salaries and the cost of meetings, were sufficient to cover authorized transfers to meet excess expenditure in other Sections. The reasons for the savings are given in paragraph 3(ii) of the Director-General's Financial Report. Miscellaneous income exceeded the estimate by US\$73,435.94 and contributions assessed for new members during the year totalled US\$8,886.00, making a total excess of income over expenditure of US\$226,162.07 (Statement 1). Of this excess, US\$304.84 were used to write off invoices irrecoverable and a net amount of US\$111,014.21 was transferred to the provision for contributions in arrears to meet the increase of US\$71,068.12 during 1967 in contributions outstanding (referred to in paragraph 3 below) and to allow for repayment to the Working Capital Fund of the amount advanced to meet the increase in contributions outstanding during 1966 (US\$39,946.09). The Director-General intends to put proposals for the disposal of the remaining net surplus of US\$114,843.02 (Statement 3) to the Committee on Budget, Finance and Administration for consideration and appropriate recommendations to the CONTRACTING PARTIES.

CONTRIBUTIONS OUTSTANDING  
(Statement 3 and Schedule C)

3. Contributions outstanding (including those from countries having withdrawn from the Agreement) increased by US\$71,068.12, from US\$163,624.76 at 31 December 1966 to US\$234,692.88 at 31 December 1967. The amount of 1967 contributions unpaid at the end of the year was US\$128,846.29 representing 4.28 per cent of the assessed contributions: the corresponding figure for the previous year was US\$121,448.17 (5.21 per cent). Details of the contributions in arrear are given in paragraph 4 of the Director-General's Financial Report.



WORKING CAPITAL FUND  
(Statement 3)

4. At 31 December 1967 the principal of the Working Capital Fund was US\$358,874. The amount of US\$85,913.13 which had been advanced towards meeting supplementary appropriations for 1966, remained outstanding. Budgetary provision to repay this amount to the Working Capital Fund in 1968 has been made.

SUPPLIES, EQUIPMENT AND STOCK RECORDS

5. Test examinations of the supplies, equipment and stock records maintained by the Organization have been carried out by my officers with satisfactory results.

6. I wish to record my appreciation of the willing co-operation given by the officers of the Organization during my audit.

\_\_\_\_\_  
(Signed)  
B.D. Fraser  
(Comptroller and Auditor General, Great Britain)  
External Auditor

July 1968