

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4057

8 August 1974

Limited Distribution

REPORT OF THE COMMITTEE ON

BUDGET, FINANCE AND ADMINISTRATION

Erosion of salaries and allowances for staff in the professional category and above

1. The Committee on Budget, Finance and Administration met on 5 July 1974 to re-examine the question of the erosion of salaries and allowances for staff in the professional category and above, which the Committee first examined at its meeting in October 1973 (document L/3944, paragraphs 42-43).
2. The Committee had before it a working paper (Annex I) outlining the operation of the common salary system of the United Nations, which is also applied to GATT staff. The paper also contained information in graphical form regarding the movement since July 1971 of remuneration for staff in the professional category and above, as compared to the cost-of-living in Geneva. A comparison between the level of UN pensions and the cost-of-living in Switzerland was also made. In addition, the Director-General had circulated to the members of the Committee a note by the Staff Council containing the views and proposals of the staff (Annex II).
3. After hearing an introductory statement by the Director-General (Annex III), in which he expressed his opinion that the CONTRACTING PARTIES should protect the salaries of their staff from the adverse effects of exchange rate fluctuations, the Committee invited the staff representatives to present the staff's views and proposals (Annex IV).
4. The Committee was unanimous in recognizing the existence of a real and serious problem and extended its sympathy to the staff with regard to the situation created by the continuing exchange rate fluctuations, especially as the effects were aggravated by the sharply rising cost-of-living. The Committee felt that staff morale should be kept at the highest possible level, particularly in view of the intensive period of work ahead, resulting from the multilateral Trade Negotiations, and the consequent strain put on the secretariat.
5. The Committee noted that the cost of the proposal contained in paragraph 9, (1), of the Staff Council's note, which consisted of measures to prevent reductions in take-home pay resulting from currency fluctuations with effect from January 1974, would be approximately SwF 100,000 for 1974, on the assumption that the internal accounting rate for the US dollar remained at the present level.

This amount would be entirely offset by savings in the 1974 budget which resulted from lower salaries and allowances paid to staff due to changes in the dollar accounting rate. The financial implications for 1975 of the proposal made in paragraph 9, (2), would be additional budgetary requirements of approximately SwF 800,000.

6. In reply to a question, a representative of the secretariat informed the Committee that the situation of retired GATT staff members or their dependants was still causing concern as their pensions continued to be particularly affected by the currency fluctuations. The credit approved for 1973 for alleviation of cases of particular hardship had been distributed within the framework of the Staff Assistance Fund and the 1974 credit was in process of distribution. In accordance with the Committee's decision, a report on the use to which the funds had been put would be made at its meeting in October.

7. The Committee had found the meeting with the staff representatives most useful and their proposals of great interest but was of the opinion, however, that the question of the erosion of salaries, allowances and pensions should be resolved within the context of the common system of the United Nations. It was aware that the problem was at present being examined by various bodies of the UN and agreed that the results of these studies were essential to the further consideration of the matter. The Committee therefore decided to place this question on the agenda for its meeting in October and some members requested the secretariat to prepare an in-depth study and to furnish additional information together with the outcome of the studies mentioned above and alternative proposals within or outside the common system and their financial implications.

8. One member, while not dissociating himself from the Committee's view, would have preferred that ad hoc measures be taken until such time as a solution to the problem was found within the context of the common system of the United Nations.

9. The Committee renewed its invitation to the Director-General to use his influence within the competent bodies to ensure that all necessary steps were taken to resolve the present unsatisfactory situation with the utmost dispatch so as to avoid further detrimental effects.

10. The Committee urged Geneva delegations to bring to the notice of their Governments, and thus to their UN New York Missions, the current problems in Geneva, especially in connexion with (a) the loss of take-home pay arising from currency fluctuations and the failure of the post adjustment system to cope, and this in a period of rapid inflation; (b) the serious effect of the currency changes on dependency and education allowances; and (c) their effect on pensions.

ANNEX I

NOTE TO THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

United Nations Salary System

This note summarizes basic information concerning the operation of the United Nations salary system. By virtue of the application of United Nations Staff Rules and Regulations and United Nations Financial Regulations to the GATT (C/M/65), the United Nations salary system is also applied by GATT.

A. Historical Background

When the United Nations was established Member States decided to introduce, for their staff, a salary system based on the following principles:

1. The system would be the same all over the world.
2. It would be attractive to qualified candidates from any part of the world (resolution 13(I), 13 February 1946).
3. A few years later, when new agencies were created, a third principle was applied: the system would be common, with some variations, to all organizations.

It took several years to organize the system in detail but it was agreed early on that the United Nations Headquarters' local currency (United States dollars) should serve as a basis for all calculations. In the fixed exchange rate system that prevailed in the 1950's, New York Headquarters' remuneration, expressed in dollars, became the basic reference unit for the whole system. "Post Adjustments" linked to the local cost of living and applying to the basic salary (excluding allowances and pension) were developed. The system gave a satisfactory solution to the problem as from the mid-fifties (1 January 1957).

The purpose of the post adjustment system is to ensure, so far as is possible, that the remuneration of staff in the Professional and higher categories, at the same grade and step, will have the same purchasing power irrespective of the duty station where they are serving. This is achieved through two processes:

(a) determining the initial place-to-place adjustment required, as the result of a statistical comparison of the cost of living at the different duty stations. These adjustments may be either additions to or deductions from base salaries;

(b) thereafter, ensuring that the remuneration of staff in all duty stations maintains the same purchasing power over the period of time between revisions of the place-to-place relationships.

Adjustments to basic salaries are made from time to time on the basis of recommendations submitted to the United Nations by U.N. Committees which had been established to review the salary situation. The organizations have the opportunity to submit to such committees their own views on the nature and extent of salary adjustments which they consider appropriate.

Although its main original purpose was to cope with cost-of-living problems, the post adjustment system was also applied to counterbalance the effects of exchange rate fluctuations which became very important from 1971 onwards. These fluctuations were strongly felt in Geneva where there has been a roughly 30 per cent revaluation of the Swiss franc v/dollar. The post adjustment system has proved to be only partially adequate in compensating these fluctuations.

1. Salaries

An upward movement of 5 points of the cost-of-living index justifies the payment of a "class of post adjustment". It corresponds to a net salary increase of approximately:

Staff with dependents

+ 4.3%

(Slightly more for
lower P grades,
slightly less for
higher officials)

Staff without dependents

+ 2.9%

(Only 2/3 of the increase
of staff with dependents
salary)

that is:

a. When exchange rates are fixed:

Salaries expressed

both in US\$ and in SF: $100 + 4.3\% = 104.3$ $100 + 2.9\% = 102.9$

b. When exchange rates fluctuate:

In the case of a 5 per cent revaluation of the local currency, the salary expressed in US dollars will be increased by the same percentage as in the case of cost-of-living increase (about 4.3 per cent for staff with dependents, and about 2.9 per cent for staff without dependents). But, although salaries are increased by these percentages, in dollar terms, the amount actually paid in Swiss francs will bear the consequences of the exchange rate. The result is:

Salaries expressed:

in US\$ $100 + 4.3\% = 104.3$ $100 + 2.9\% = 102.9$

in SF $(100 + 4.3\%) - 5\% = 99.085$ $(100 + 2.9\%) - 5\% = 97.755$

This shows that, when the US\$/SF exchange rate moves downwards by 5 per cent, the salary actually paid in Swiss francs is reduced by nearly 1 per cent in the case of staff with dependents and by about 2.3 per cent in the case of staff without dependents.

During the last few years the cost of living has risen while, at the same time, exchange rates have undergone considerable changes. Consequently, salaries have been affected in two ways by the post adjustment system: they have gone up when the cost of living has risen and down when the exchange rate of the local currency (SF) has gone up. The overall result has been that the salary of a staff member without dependents, when expressed in Swiss francs, was lower in October 1973, than in July 1971 although, during the same period, the cost of living increased by about 17 per cent.

At the beginning of 1974 the consolidation of five post adjustment classes increased the net salary but its only effect in terms of take-home pay was an increase of about 5 per cent for staff members without dependents. Subsequent exchange rate fluctuations have resulted in new reductions in take-home pay.

Chart I gives the resulting curve. On 1 July 1971 (starting date of the last salary revision), the salary of staff without dependents was only 96.2 per cent of the salary of staff with dependents, due to the existence in Geneva at the time of three classes of post adjustment. The two curves have been established with 100 as the basic salary of staff with dependents and 96.2 for staff without dependents.

Chart II compares May 1974 percentages to those of July 1971 (July 1971 = 100).

- (i) the cost of living in Geneva (123.8)
- (ii) the salary actually paid in May 1974 (ref.A)
- (iii) the salary which should be paid in May 1974 if the exchange rates were still the same as in July 1971 (ref.B).

2. Allowances

(Family allowance -- wife and children, repatriation grant, education grant.)

No post adjustment system applies to these allowances. The result is, for example, that the actual amount of dependent's allowances in Swiss francs paid to staff members has varied between 25 and 35 per cent below what it was before currency fluctuations began.

It may be noted that as the GATT budget is drawn up on a Swiss franc basis any reduction in staff take-home pay, including allowances, is reflected in savings for the benefit of governments.

3. Pensions

On this issue, special measures had to be taken by the United Nations General Assembly in 1973. They resulted mainly in a special one-time payment to pensioners receiving pensions below \$4,000 per annum and provision for future adjustments in line with movements in the weighted average of world-wide post adjustments. Application of a system of weighted averages leaves, of course, pensioners in countries where the downward exchange rate fluctuations have been largest substantially under-compensated. Chart III attached shows the average amounts actually received by pensioners residing in Switzerland.

B. Common System

1. Member Organizations

As indicated above, the system which was applied at New York Headquarters was progressively extended: (a) to the organizations which came into being after 1945, and (b) to some international organizations which existed before World War II and which had a world-wide membership. While there is now in general a uniform and common system of financial and staff rules, a number of variations still exist in the system. Some are justified by pre-war acquired rights, others by operational demands applicable in some organizations, still others by local employment conditions. Hereunder are a few examples:

WHO, created in 1948, has a grade P6 which does not exist in other organizations.

Some organizations (ITU, WHO) grant additional steps in some grades.

WIPO, which took over the terms of reference laid down in several international agreements around 1880, applies the common system, without having formally joined it. Effective 10 October 1971, the Staff regulations of WIPO were modified in such a way that any decrease (solely on account of a change in the US dollar/Swiss franc exchange rate) in the pensionable remuneration or in the take-home pay of any employee is compensated until such time as the pre-decrease position is restored as a result of any subsequent changes in remuneration.

Another organization installed in Geneva, which does not belong to the Common System but follows its rules is EFTA. This organization also applied the same rules as WIPO (see above).

2. Coordination

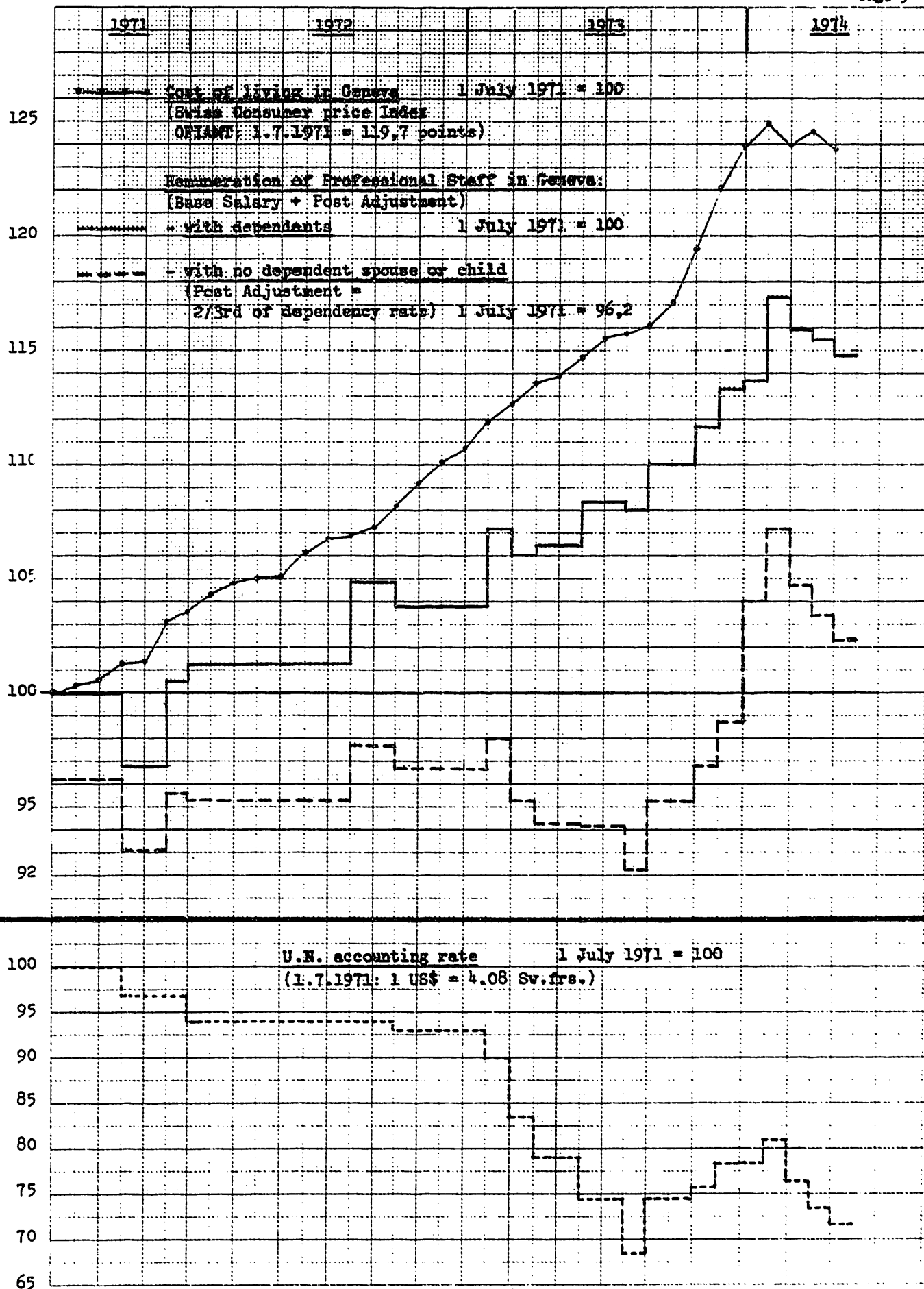
The mechanism which coordinates the common system may be described as follows:

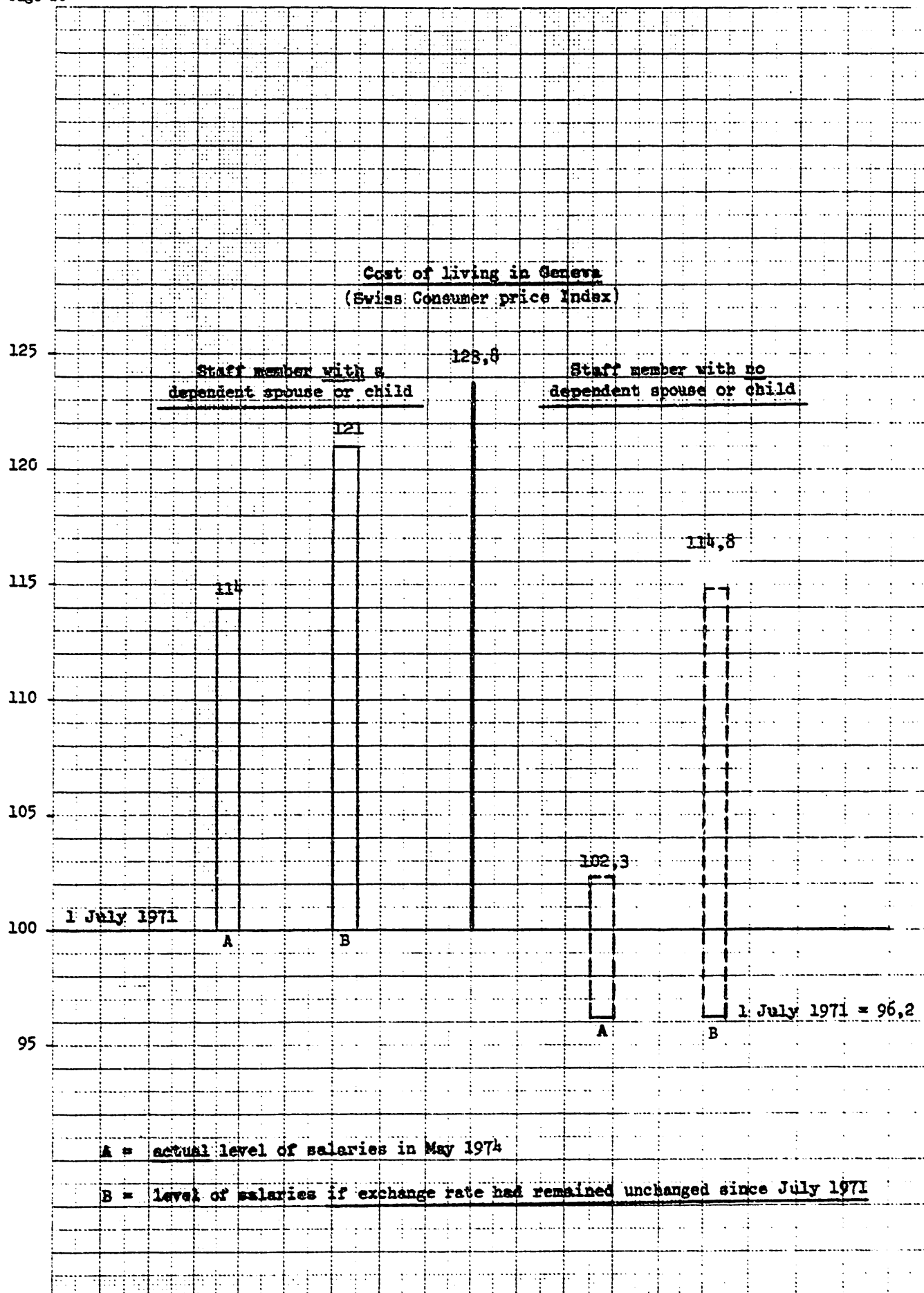
CCAQ: Consultative Committee on Administrative Questions. Deals with personnel, administrative, budgetary and financial questions. The Committee is composed of senior representatives of each of the organizations in the common system. Recommendations of CCAQ are submitted to the Administrative Committee on Coordination for approval.

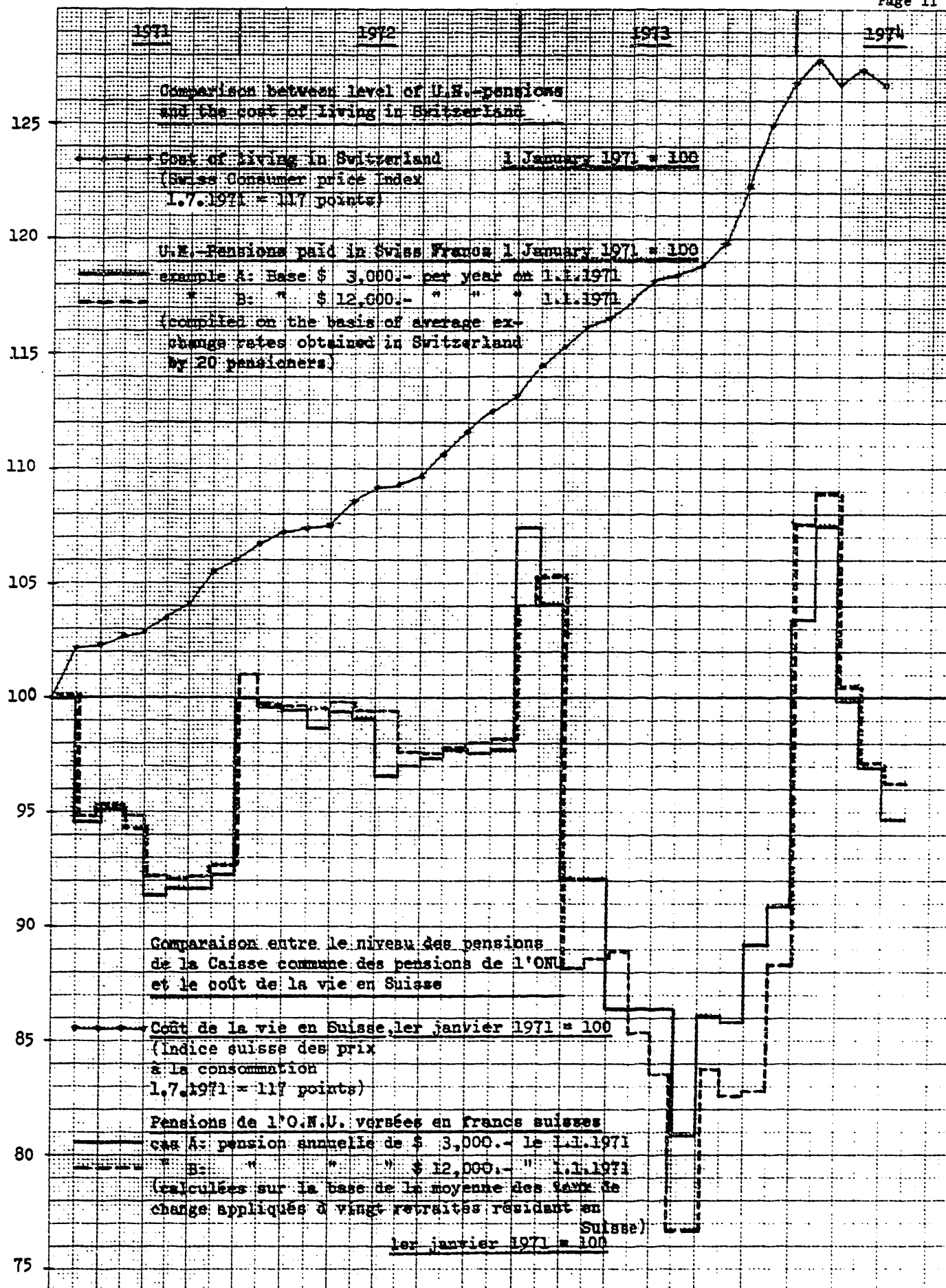
ACC: Administrative Committee on Coordination.

Body in which the inter-organizational consultations required by the agreements made between the United Nations and specialized agencies are held. The members of the Committee are the executive heads of the organizations.

Where decisions of ACC require legislative action each organization submits such decisions to its own governing body.







ANNEX II

NOTE BY THE STAFF COUNCIL FOR THE BUDGET COMMITTEE

1. The salaries and allowances of staff members in the Professional and higher categories have been suffering constant erosion (document Spec(74)17). The mechanics of this erosion were explained by representatives of the staff to the Budget Committee at its meeting on 15 to 19 October 1973 (document L/3944, paragraphs 12 to 19) and to the Council of Representatives on 7 November 1973 (document C/M/91, page 10).
2. Recognizing that there was a real problem, the Budget Committee "invited the Director-General to use his influence within the competent bodies to ensure that all necessary steps were taken to resolve the situation with the utmost dispatch so as to avoid further detrimental effects" (document L/3944, paragraphs 42 and 43).
3. At the end of the discussion on the report of the Budget Committee, the Council of Representatives "endorsed the invitation addressed to the Director-General in carrying out the mandate given to him by the Committee on Budget, Finance and Administration to use his influence within the competent bodies to ensure that all necessary steps were taken with the utmost dispatch to resolve the problems which had arisen in respect of the erosion of staff salaries, allowances and pensions. The Council noted that in pursuance of this mandate, the Director-General would transmit to the Secretary-General of the United Nations, in the latter's capacity as Chairman of the Administrative Committee on Co-ordination, the text of the Council's conclusions on this matter" (document C/M/91, page 11).
4. The only decision by the United Nations General Assembly at the end of 1973 in respect of remuneration of serving staff - the consolidation of five classes of post adjustment in the salary scale - was a measure that the staff considered inadequate even last autumn (document L/3944, paragraph 18).
5. The situation has thus developed in a manner contrary to the spirit of the recommendation by the Budget Committee (document L/3944, paragraph 43), "to resolve the situation with the utmost dispatch so as to avoid further detrimental effects", a recommendation which was endorsed by the Council of Representatives on 7 November 1973 (C/M/91, page 11).
6. The main problem is that post adjustments do not fully compensate for decreases in the purchasing power of salaries. Document Spec(74)17, pages 2 and 3, under "Salaries" shows that in percentage terms the under-compensation inherent in the post adjustment system is on average for each class of post adjustment: 2.1 per cent of the value of real salaries for staff members in the professional and

higher categories without dependents and 0.7 per cent of the value of real salaries for those with dependents when the exchange rate remains unchanged, and respectively an average of 2.3 per cent and 1 per cent when exchange rates fluctuate. The effect of this is that the take-home pay of staff members in the professional and higher categories with dependents has decreased in real terms by approximately 8 per cent and that of those without dependents by approximately 19 per cent over the past few years. This is clearly shown in Graph I of document Spec(74)17. Changes in exchange rates and increases in the cost-of-living have also adversely affected other benefits, e.g., family allowances and per diem payments.

7. Since the CONTRACTING PARTIES have adopted their budget in Swiss francs for reasons of financial stability, the staff is entitled to the same stability in terms of their remuneration.

8. The proposal presented by the Staff Council is designed primarily to remedy the inequitable effects of the present application of the post adjustment system in cases where post adjustments are paid because of monetary fluctuations, and secondly to protect against the growing losses due to inflation.

9. In these circumstances, the Staff Council requests the Budget Committee to recommend that the Council of Representatives adopt the following Decision:

"The Council of Representatives authorizes the Director-General to apply to the GATT staff, on an ad hoc interim basis and without prejudice to the Decision of the CONTRACTING PARTIES to apply the United Nations Common System, the following measures:

(1) As from 1 January 1974, for each class of post adjustment attributable to exchange rate compensation, an 'equity payment' be made corresponding to the equivalent of the built-in under-compensation in each class of post adjustment (which can vary with the number of classes, but is on average 2.3 per cent for staff members in the professional and higher categories without dependents and 1 per cent for those with dependents).

(2) As from 1 January 1975, for each class of post adjustment, attributable to cost-of-living and exchange rate compensation, an 'equity payment' be made corresponding to the equivalent of the built-in under-compensation in each class of post adjustment."

ANNEX III

Address by the Director-General

Mr. Chairman,

I should like to say that I am happy to see you and the members of your Committee once again, while at the same time regretting that it should be necessary to meet again on a matter which, as the months and years go by, is taking on growing importance and becoming more and more a source of major concern for the staff of the GATT secretariat. For as you have reminded us, this meeting has been convened in response to a request by the staff of the GATT secretariat that your Committee should once again examine the question of the erosion of salaries and allowances for staff in the Professional category and above, which your Committee first examined in October of last year.

At that meeting, your Committee recognized that a problem existed and invited me to use my influence within the competent bodies to ensure that all necessary steps were taken to resolve the situation with the utmost dispatch so as to avoid further detrimental effects. To my regret, I have to report on what one could term the failure of my mission, although among other things I addressed to the Secretary-General of the United Nations, in his capacity as Chairman of the Administrative Committee on Co-ordination, a letter in which I drew his attention to this question very seriously; and I can tell you that the Secretary-General has made extensive use of that letter, in particular before the competent bodies of the United Nations at New York.

Unfortunately, developments, and in particular the monetary situation, have moved in a contrary direction. Although the situation was alleviated to some extent at the beginning of 1974 by the consolidation of five classes of post adjustment into base salary, the process of erosion of salaries and allowances has since gone on as a result of the incomplete compensation provided by the post adjustment mechanism for exchange rate fluctuations and also because the cost of living continues to rise. And once again this erosion has been particularly marked for staff members without dependents. This continuing, persistent and intensified deterioration of the situation has prompted the staff of the GATT secretariat to request, through the GATT Staff Council, that your Committee give it the opportunity to present its views and proposals in this connexion. Accordingly, the Staff Council's proposals were submitted to me in a note that I have circulated to the members of the Committee in document Spec(74)26.

You will have seen that, basically, the staff want their salaries to remain at a steady level, instead of being reduced when the value of the United States dollar drops vis-à-vis the Swiss franc. The proposals made in this connexion by the Staff Council reflect the insecurity felt by the staff and the adverse psychological effect of not knowing exactly what next month's salary will be; for the situation is such that, month after month, the members of the GATT secretariat do not know how much they are going to be paid. And, if my understanding is correct, the staff of the GATT secretariat have been guided in formulating their request by the fact that two Geneva-based organizations - EFTA and WIPO - had the foresight to take similar steps in 1971, i.e. when the first problems arose, in order to protect their staff members' salaries from exchange rate fluctuations. I must say that over the months and even over the years, since this has been going on for years now, I have formed the opinion that the CONTRACTING PARTIES should also offer similar protection to the salaries of the staff of the GATT secretariat. It is a fact that the situation of uncertainty and of salary losses suffered by staff in the Professional category and above has been going on for a long time, and that unfortunately there is no reason to think that things are going to improve. There was a short period of optimism in early 1974 when it was hoped that monetary parities were going to reach a state of relative equilibrium, but it was short-lived and one can see that we are all in a period of monetary instability, of changes in monetary parities and there is no reason to think or to hope that we shall pull out of it for some considerable time perhaps.

All these considerations lead me to think that it is now time for something to be done to remedy the detrimental effects of a state of affairs that is both prejudicial to the material interests of the members of the GATT secretariat and at the same time unjust, because the staff of the secretariat have no hand in it.

In addition to the Staff Council's proposals, you have before you document Spec(74)17 which has been prepared by the competent services of the GATT secretariat to guide you in your work and your reflections. This is a technical note which outlines the operation of the salary system of the United Nations - the so-called common system. What is termed the common system is in fact no longer a common system, it is a system which burst apart when the system of fixed exchange rates burst apart. It was common so long as there were fixed exchange rates but since these no longer exist the so-called common system is no longer a common system because the situation differs according to whether one is stationed in New York, in Geneva, in Africa or elsewhere. In the Secretariat Note you will find information in graphical form regarding the movement since July 1971 of salaries and post adjustments for staff in the Professional category and above, as compared to the movement of the cost-of-living index upon which the level of post adjustment for Geneva is based; a brief description is also given of the

mechanism, I would say the irresistible process which gives rise to the losses in take-home pay which the staff suffer whenever exchange rates fluctuate and which are still further aggravated by the fact that these fluctuations are taking place in a period of what has become galloping inflation. Lastly, the note mentions again a fact which is specific to the GATT: as the GATT budget is drawn up on a local currency basis, i.e. in Swiss francs, any exchange losses suffered by staff who are paid in dollars is reflected in savings at the end of the budgetary period for the governments contributing to the budget. This is, to say the least, a peculiar kind of economy. As you know, I am all in favour of budget savings and I have proved this by being able to report savings to you at the end of each budgetary period, even when the GATT itself was suffering losses on exchange; I must say, however, that there is a kind of budgetary saving that makes me feel very ill at ease, namely when at the end of the year I have to refund to governments funds that have been saved because the staff of the GATT secretariat has lost money.

In conclusion I should merely like to add, Mr. Chairman, that my colleagues and I are of course always at your entire disposal to furnish any further information or explanation you may wish to have.

ANNEX IV

ADDRESS BY THE CHAIRMAN OF THE STAFF COUNCIL

Mr. Chairman,

We would like to thank you and the Director-General for making it possible for us to be here this morning to present directly to this Committee proposals that have arisen out of a growing concern and an apprehension on the part of the GATT professional staff members. The concern and the apprehension are - unfortunately - broad, very broad, and growing deeper in the case of an increasingly large number of professional staff members who are finding the salary and remuneration system further and further removed from reality. We have not been asked by our colleagues to come here today to talk about theoretical notions, but rather about some of the hard facts of life - the facts of working in GATT and living in Geneva.

The particular problem that brings us before your Committee, with concrete proposals, stems from the continuing deterioration in the remuneration of staff members in the professional and higher categories, a deterioration related to the continuing rise in the cost-of-living in Switzerland and to changes in parity between the Swiss currency, in which our expenses are fixed, and the US dollar, in which our remuneration is calculated.

We know that an attempt has been made to compensate partially for this through the post adjustment mechanism; but even this procedure has failed to protect us from real salary cuts. And in the case of our colleagues without dependants, the hammer has struck blows that are increasingly hard and - in our view - unjust. I think that the graphs in document Spec(74)17 bear out this situation, and particularly the predicament of professional staff members without dependants, for whom the post adjustment mechanism operates at only 2/3 the level applied to the rest of the professional staff. We believe that the post adjustment should be applied at a 3/3 level for both categories of professional staff members.

The post adjustment mechanism is not our only cause of concern; there are other elements, too, ranging from unjust to almost ridiculous. Let me cite just two examples, one touching many individuals and another only a few.

First, professional staff members with dependant children received, a few years ago, about SwF 1,300 per year for their maintenance, i.e. for the food, shelter and clothing of these children. Now, with the passage of time, the amount comes to about SwF 900, while the cost of maintenance (and the children themselves) have continued to grow. The

SwF 1,300 figure was already out-of-date when our children were small. The SwF 900 figure today is, in a word, ludicrous. And next month it is likely to be even more so. The sum is a mere token. We know it, and I believe that if the members of this Committee were to change seats with us, they would quickly come to realize it, too.

Or, a second example. If we are called upon to travel for GATT in our own automobiles, we are reimbursed for our mileage expenses. I understand that the figure at which this is calculated is set at 7 U.S. cents per kilometer. Now, a few years ago this came to about 30 Swiss centimes per kilometer, whereas today it comes to about 21 centimes. In the meantime, of course, gasoline prices here in Europe have nearly doubled, and garage repair bills, prices for tyres, batteries or other items have risen, and are continuing to rise.

We recognize that the so-called "common system" was not conceived here in GATT, nor was it drawn up with Geneva-based employees in mind. But it is here in Geneva that we live and work, and it is here - in Swiss francs - that we are called upon to meet our financial obligations.

A professional staff member who joined the GATT a few years ago, and who reasonably expected to be able to purchase an automobile or rent an apartment, has found that the payments on the automobile and the apartment have gone up faster than his salary, due to the post adjustment mechanism as it is presently applied.

Looking ahead at his non-earning years, and at the modest pension available, he might reasonably have tried to save a portion of his take-home pay, that is, to be thrifty. Now can he do that today? Retirement, then, has come to be a cause for anguish for some of our senior colleagues, and it has started to gnaw away at others as they approach it.

All of us are affected by this when we see it strike in our midst. We all realize that unless prompt action is taken, it will continue to strike others and sooner or later, strike all of us. Can you imagine what this phenomenon alone can do to the state of morale in a professional staff as small as that here in this organization?

Can you picture the effect of this set of circumstances - not just the anguish caused by approaching retirement at a shrunken pension, but the sense of despair stemming from the entire remuneration system - can you picture the effect of these circumstances on professional officers joining the GATT staff? Will they be encouraged to stay with us, or will they be influenced by the growing sense of

apprehension that has taken hold? Some may simply choose not to accept a post. With whatever skills they possess, they will be attracted elsewhere.

As you can see, the problem is a complex one. We recognize this, and do not come here today seeking relief on the entire situation, but rather on a particular part of it. Our proposals are before you in document Spec(74)26. You will have observed that - as I stated earlier - we are not aiming at general theories, but rather at the hard facts of facing a pay envelope that is shrinking in purchasing power.

This shrinkage should not be allowed to continue - but unless this Committee takes action, it will.

And professional staff members without dependants should not be treated less fairly than the others - but unless this Committee takes action, they will.

I would implore the Committee to take seriously our proposals and to realize fully the rising tide of dissatisfaction that lies behind them. We hope that this Committee will not tell us to wend our way through the maze of CCAQ, ACC, ICSAB, ECPA, ACABQ, the 5th Committee and so on. Can you imagine how such a response would fall on the ears of the professional members of the GATT staff?

We are basing our request on the inherent sense of equity, justice and fair play that must underline any employer-employee relationship. To cut a person's take-home pay, or to allow it to be cut in this fashion, is - we think - unjust. At the very least, we are entitled to the same stability in our remuneration that the CONTRACTING PARTIES have achieved by having a budget set in Swiss francs.

Longer-term measures may very well become necessary. Major surgery may have to be carried out on the common system. In the meantime, however, a critical point has been reached. Professional staff members are caught in the middle - a position that is rapidly becoming intolerable for even the most patient among us.

We believe that it is the responsibility of this Committee to initiate the necessary ad hoc interim measure, now. And we ask you and your colleagues to do so.