

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1966

Introduction

1. The Director-General herewith submits his budget proposals concerning the expenses and income of the secretariat for 1966.
2. The estimates of expenditure are based on the requirements of the secretariat deriving from the tentative programme of meetings and other activities foreseen in 1966 at the time the estimates were prepared and subject to any decisions which the CONTRACTING PARTIES or the Council may take concerning these matters. The structure and presentation of the budget remain essentially unchanged from 1965.
3. The total expenditure is estimated at \$2,325,000 showing an overall increase of \$532,750 over the 1965 expenditure budget as originally approved by the CONTRACTING PARTIES and \$407,450 over the expenditure budget as amended in documents L/2396, L/2397, L/2403, L/2427, L/2451 and L/2452, when the CONTRACTING PARTIES authorized additional expenditure in the amount of \$125,300.
4. The increase of \$532,750 can be summarized as follows:
 - (a) credits already approved by the CONTRACTING PARTIES in 1965 and projected on an annual basis, in respect of adjustment of pensionable remuneration, increases of general service category salary scales and scales of post adjustment, adjustment of the Director-General's salary and supplementary estimates of the International Trade Centre \$211,867 (11.8%)
 - (b) statutory payments (regular annual salary increments, increases in payments of contributions to the United Nations Joint Staff Pension Fund, family allowances, education grants, etc.), and provision for one adjustment of general service category salary scales in 1966 \$ 60,413)
 - (c) provision for reimbursement to the Working Capital Fund of amount withdrawn in order to cover excess expenditure in 1964 \$ 48,151) (8.0%)
 - (d) provision for first annuity payable to FIPOI in respect of loan for construction of second Annex \$ 34,075)

(e) the creation of new posts	\$199,773	(11.1%)
(f) the regrading of posts	\$ 18,550	(1.0%)
(g) the increase in the provision for meetings, temporary assistance, travel on official business, common services and printing	\$ 34,330	(1.9%)
	<u>\$607,159</u>	(33.8%)

It has been possible to make reductions in the provisions for installation grants, travel and removal expenses of staff and their dependants, travel on home leave and permanent equipment

	\$ 74,409	(4.1%)
	<u>\$532,750</u>	(29.7%)

5. Following a period during which a relatively substantial expansion of the secretariat has taken place, the budget this year shows a return to a more moderate rate of growth. After taking into account the consequential effects of the actions taken by the CONTRACTING PARTIES in various fields, and notably in those concerned with the Kennedy Round of trade negotiations, development and the Trade Centre, this rate of increase in establishment has been brought down to a more normal level, providing for only moderate and inescapable increases. It should be borne in mind that the establishment of the Trade Centre has had substantial repercussions on other sectors of the secretariat through the provision of common administrative and linguistic services as well as considerable day-to-day assistance to the Centre from the technical divisions.

6. Although it has been found possible to limit the increase in establishment to about 11 per cent of the 1965 figures, the total 1966 expenditure budget shows a larger increase. For the coming year this is unavoidable as it is a consequence of expenditure already authorized by the CONTRACTING PARTIES, such as the additional expenditure in respect of the Trade Centre, which is now included on an annual basis. Full details of the expenditure approved subsequently to the presentation of the 1965 estimates are set out in paragraph 4 above. It will be seen that this expenditure, which accounts for a 19.8 per cent increase on the basis of the original 1965 estimates, and over 60 per cent of the total increase requested for 1966, includes not only supplementary expenditure in respect of the Trade Centre, but also an item relating to the new Annex as well as certain statutory increases in respect of salaries, allowances and pensions.

7. The estimate for miscellaneous income has been maintained at \$44,000. As the surplus account shows no balance, no other source of income will be available for the financing of the 1966 budget. Consequently an amount of \$2,281,000 remains to be assessed on the contracting parties in the form of contributions representing a 30.5 per cent increase over the level of 1965 contributions.
8. The estimates provide for a four week session of the CONTRACTING PARTIES and 170 days for meetings of the Council, committees, panels, working groups, etc. Provision has also been made for meetings of the Trade Negotiations Conference and subsidiary bodies over a period of twelve months.
9. Following consideration by the Working Party on Organization of the Director-General's proposals for the re-organization of the higher echelons of the secretariat the new organizational structure will be as follows:
- Office of the Director-General
 - Department of External Relations
 - Department of Trade Policy and Intelligence
 - Department of Trade and Development (including International Trade Centre)
 - Department of Conference Services and Administration
10. This structure will be adopted as from 1 January 1966. The Manning Table reflects the new organization.
11. Total expenditure in respect of staff for the International Trade Centre has been estimated at \$147,000, i.e. 8 per cent of the total staff costs for the entire secretariat.

Grading review, senior posts

12. In introducing the 1964 budget proposals in July 1963 (L/2033) the Director-General indicated that the greatly expanded scope of the activities of the secretariat in many fields was adding considerably to the responsibilities of the staff at all levels and particularly at Chief of Division level. He therefore proposed to make arrangements for a thorough review of all grades and to make appropriate recommendations.
13. The Committee on Budget, Finance and Administration supported this proposal and in its report (L/2064) in September 1963 recognized that the structure of the secretariat could not remain static and could well be subject to fundamental changes in the years ahead. The Committee recommended that, particularly in the interests of equity and sound management, the review should be carried out. The recommendations of the Committee were accepted by the CONTRACTING PARTIES at their twenty-first session.

14. The review of junior professional posts and general service posts was carried out in the course of 1964, and the Director-General's recommendations were contained in the 1965 Budget estimates (L/2246). These recommendations were accepted by the CONTRACTING PARTIES at their special session in November 1964.
15. There has been some delay in concluding the review of the senior posts. As indicated in the note on the 1965 budget estimates (L/2246, paragraph 13), it was proposed to consider the posts at the Chief of Division and Senior Counsellor levels in the light of the recommendations made by the Working Party on Organization regarding the top structure of the secretariat.
16. The Working Party on Organization considered this matter in March 1965 and in their report, which was subsequently adopted by the CONTRACTING PARTIES at their twenty-second session, agreed that there should be four principal departments, i.e. Trade Policy and Intelligence, Development, External Relations, and Conference and Administrative Services, and that the posts of heads of departments should be established at the D2 level.
17. Following this decision the Director-General has reviewed the senior posts below the level of department head, taking into account the following factors:

- (i) the work programme of the CONTRACTING PARTIES has expanded considerably in recent years with consequential expansion of the scope of the secretariat's activities. As examples, the following may be cited. In recent months the CONTRACTING PARTIES have set up the Committee on Trade and Development, and seven sub-groups. Also in respect of the Kennedy Round trade negotiations the number of sub-groups of the Trade Negotiations Committee has considerably increased. Other areas of expanded activity include those sectors concerned with the Cotton Textiles Arrangement and the International Trade Centre. Furthermore, the increasing emphasis on the development of the trade of less-developed countries has brought the CONTRACTING PARTIES into closer contact with other agencies and intergovernmental organizations working in this field, including the United Nations and its regional Commissions.

An indication of the developments which have taken place since the last major review of the organization structure in 1958 is given by the following statistics:

	<u>1958</u>	<u>1965</u>
Number of contracting parties, provisional acceders, etc.	38	79
Number of meeting days	65	244 (1964)
Number of copies of documents distributed	568,553	over one million (1964)

	<u>1958</u>	<u>1965</u>
Number of staff	53	179 (excluding temporary assistance during periods of meetings)
Budget	\$512,960	\$1,792,250

- (ii) the responsibilities of senior officers, and particularly Division Chiefs, have increased considerably with this growth in the secretariat's activities, and the concomitant expansion of the staff;
- (iii) it is now some years since there was a thorough review of the structure of the secretariat at senior level;
- (iv) in undertaking the review, the Director-General has also had particularly in mind:
 - (a) the comparison of existing gradings of GATT posts with those posts in the United Nations and the specialized agencies with comparable responsibilities;
 - (b) the particular nature of the responsibilities of senior officials in GATT;
 - (c) equity as between staff members holding similar degrees of responsibility.

Grading recommendations

The appropriate grading pattern, bearing in mind the various considerations outlined above, would be:

Directors of Division as follows:

General Division	D1
Agricultural Division	D1
Trade Intelligence Division	D1
Development Division	D1
Conference Secretariat Division	D1
Administrative and Financial Division	P5/D1
Languages Division	P5/D1
International Trade Centre	P5/D1

In addition the Director-General proposes that the following posts be upgraded from P4 to P5:

Counsellor, Office of the Director-General
Counsellor, Special Projects
Counsellor, External Relations Division
Counsellor, Agricultural Division
Deputy Head, International Trade Centre

Budgetary implications of proposals

The budgetary effect of the proposals for the re-organization as put forward by the Chairman of the CONTRACTING PARTIES and in this note would be as follows:

The regrading of the Chiefs of Divisions and Counsellors referred to above, if applied from 1 January 1966, would amount to \$7,500.

18. The grading of other professional and general service posts has also been considered in the course of the regular annual grading review resulting in proposals for the reclassification of seven posts in the professional category and fourteen posts in the general service category. The reasons for the proposed reclassifications are set out in the explanatory notes contained in Annex C.

19. Provision has been made for eight additional posts in the professional category and sixteen in the general service category. Full details concerning these posts appear in Annex C. One post in the general service category has been deleted. The additional posts include certain marginal requests for staff submitted by Division Chiefs to the Director-General last year but deferred for reasons of economy.

20. Provision has been made for the reimbursement of the seventh annuity of \$23,500 to the Canton of Geneva in respect of the interest-free loan granted by the Canton for the financing of the first Annex and for the reimbursement of the first annuity of \$34,075 to FIPCI in respect of the $3\frac{1}{2}$ per cent loan granted for the second Annex.

21. As usual the estimates of expenditure are reproduced in Annex A, detailed schedules in Annex B and explanatory notes in Annex C. The income estimates are reproduced in Annex D together with the draft scale of contributions for 1966.

ANNEX A

ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1966

SUMMARY

Part I: <u>Meetings</u>		<u>Amount in US dollars</u>
<u>Section</u>		
1	Twenty-third session of the CONTRACTING PARTIES	20,300
2	Meetings of the Council and other meetings	34,850
3	Trade Negotiations Conference	<u>24,000</u>
Total Part I:		79,150
Part II: <u>Secretariat</u>		
<u>Section</u>		
1	Salaries and wages and official travel	1,505,900
2	Common staff costs	382,400
3	Common services	160,700
4	Printing	57,000
5	Representation and hospitality	7,500
6	Permanent equipment	<u>26,624</u>
Total Part II:		2,140,124
Part III: <u>Buildings</u>		
<u>Section</u>		
1	Annuity to Canton of Geneva in respect of first Annex	23,500
2	Annuity to FIPOI in respect of second Annex	<u>34,075</u>
Total Part III:		57,575
Part IV: <u>Working Capital Fund</u>		
<u>Section</u>		
1	Reimbursement of withdrawal	<u>48,151</u>
Grand Total		<u><u>2,325,000</u></u>

ANNEX B

ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1966

DETAILED SCHEDULES

	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimates</u> <u>US\$</u>
Part I: <u>Meetings</u>			
Section 1 - <u>Twenty-Third Session of</u> <u>the CONTRACTING PARTIES</u>			
(i) Temporary assistance (including overtime)	13,556	17,000	15,000
(ii) Travel and subsistence of temporary staff	907	1,000	1,000
(iii) Rental of meeting rooms and additional office space	4,033	4,500	4,000
(iv) Other services	<u>327</u>	<u>500</u>	<u>300</u>
Total Section 1:	<u>18,823</u>	<u>23,000</u>	<u>20,300</u>
Section 2 - <u>Meetings of the Council and</u> <u>other Meetings</u>			
(i) Temporary assistance (including overtime)	25,154	22,400	25,000
(ii) Travel and subsistence of temporary staff	647	1,100	1,100
(iii) Rental of meeting rooms and additional office space	5,810	8,450	8,450
(iv) Other services	<u>133</u>	<u>300</u>	<u>300</u>
Total Section 2:	<u>31,744</u>	<u>32,250</u>	<u>34,850</u>

	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimates</u> <u>US\$</u>	
Section 3 - <u>Trade Negotiations Conference</u>				
(i)	Temporary assistance (including overtime)	4,518	5,500	15,000
(ii)	Travel and subsistence of temporary staff	604	800	800
(iii)	Rental of meeting rooms and additional office space	35,393	5,000	7,000
(iv)	Other services	<u>303</u>	<u>1,200</u>	<u>1,200</u>
	Total Section 3:	<u>40,818</u>	<u>12,500</u>	<u>24,000</u>
	Total Part I:	<u>91,385</u>	<u>67,750</u>	<u>79,150</u>
Part II: <u>Secretariat</u>				
Section 1 - <u>Salaries and Wages and</u> <u>Official Travel</u>				
(i)	Established posts	872,842	1,078,300	1,420,900
(ii)	Temporary assistance (including overtime)	49,293	10,000	15,000
(iii)	Consultants	19,281	15,000	15,000
(iv)	Travel:			
	(a) Travel on official business	30,649	45,000	50,000
	(b) Technical assistance travel	<u>4,364</u>	<u>5,000</u>	<u>5,000</u>
	Total Section 1:	<u>976,429</u>	<u>1,153,300</u>	<u>1,505,900</u>

	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimates</u> <u>US\$</u>
Section 2 - <u>Common Staff Costs</u>			
(i)	Installation grants	5,628	8,800
(ii)	Travel and removal expenses of staff and their dependants	9,420	14,000
(iii)	Separation payments	2,576	5,000
(iv)	Contributions to the United Nations Joint Staff Pension Fund	109,695	207,800
(v)	Repatriation grants and service benefits	2,482	5,000
(vi)	Travel on home leave	10,561	22,000
(vii)	Family allowances, education grants and related travel:		
	(a) Family allowances	47,306	78,500
	(b) Education grants and related travel	11,242	18,900
(viii)	Joint services	3,904	5,200
(ix)	Other common staff costs	9,832	17,200
	Total Section 2:	<u>212,646</u>	<u>382,400</u>

	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimates</u> <u>US\$</u>	
Section 3 - <u>Common Services</u>				
(i)	Cables and telephone communications	2,497	2,500	3,500
(ii)	Freight and cartage	889	500	800
(iii)	Books and information material	3,395	6,000	8,500
(iv)	Rental and maintenance of premises and equipment:			
	(a) Rent	4,676	4,700	4,700
	(b) Electricity	2,202	2,500	3,000
	(c) Water supply	199	300	300
	(d) Heating	1,630	3,200	2,800
	(e) Telephone (rental and local calls)	2,569	3,000	2,800
	(f) Insurance premiums	1,434	1,600	2,150
	(g) Cleaning materials	181	300	500
	(h) Maintenance expenditure	6,188	6,500	8,450
	(i) Casual labour	11,657	19,000	23,200
	(j) Maintenance of service cars	977	800	1,300
(v)	Postal services	12,102	11,500	17,000
(vi)	Stationery and office supplies	9,057	9,000	18,000
(vii)	Reproduction and distribution of documents	51,641	57,000	60,000
(viii)	External audit	1,482	1,500	1,500
(ix)	Other services and miscellaneous expenditure	1,017	2,200	2,200
	Total Section 3:	<u>113,793</u>	<u>132,100</u>	<u>160,700</u>

	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimates</u> <u>US\$</u>
Section 4 - <u>Printing</u>	<u>34,581</u>	<u>55,000</u>	<u>57,000</u>
Section 5 - <u>Representation and Hospitality</u>	<u>642</u>	<u>1,500</u>	<u>7,500</u>
Section 6 - <u>Permanent Equipment</u>	<u>13,918</u>	<u>67,400</u>	<u>26,624</u>
Total Part II:	<u>1,352,009</u>	<u>1,701,000</u>	<u>2,140,124</u>
Part III: <u>Buildings</u>			
Section 1 - <u>Annuity to Canton of Geneva in respect of First Annex</u>	<u>23,148</u>	<u>23,500</u>	<u>23,500</u>
Section 2 - <u>Annuity to FIPOI in respect of Second Annex</u>	<u>-</u>	<u>-</u>	<u>34,075</u>
Total Part III:	<u>23,148</u>	<u>23,500</u>	<u>57,575</u>
Part IV: <u>Working Capital Fund</u>			
Section 1 - <u>Reimbursement of Withdrawal</u>	<u>-</u>	<u>-</u>	<u>48,151</u>
Grand Total	<u>1,466,542¹</u>	<u>1,792,250</u>	<u>2,325,000</u>

¹Excluding expenditure of \$6,522 in respect of the ten-day second special session.

ANNEX C

ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1966

EXPLANATORY NOTES

Part I - Meetings

Section 1 - Twenty-third Session of the CONTRACTING PARTIES \$20,300

1963 Expenditure	:	(one week ministerial meeting)	\$13,714
1964 Expenditure	:	(four week session)	\$18,823
		(ten-day second special session)	\$ 6,522
1965 Budget	:	(five week session, including ministerial meeting)	\$23,000

The estimate for the twenty-third session has been based on the assumption that the CONTRACTING PARTIES will meet in a session of four weeks and that the session will be held in Geneva.

(i) Temporary assistance (including overtime) - \$15,000

1963 Expenditure	:	\$10,601
1964 Expenditure	:	\$13,556
		\$ 5,046
1965 Budget	:	\$17,000

The estimate provides for salaries and wages of three interpreters, one reviser, three translators, fifteen stenographers, transcribers and typists. It also includes overtime and night differential payments to staff entitled to such payments under the Staff Rules.

(ii) Travel and subsistence of temporary staff - \$1,000

1963 Expenditure	:	\$ 895
1964 Expenditure	:	\$ 907
		\$ 433
1965 Budget	:	\$1,000

The estimate provides for the payment of travel expenses, subsistence allowances and other incidental expenses of non-locally recruited temporary staff engaged specially for this session of the CONTRACTING PARTIES.

(iii) Rental of meeting rooms and additional office space - \$4,000

1963 Expenditure	:	\$1,552
1964 Expenditure	:	\$4,033
		\$ 926
1965 Budget	:	\$4,500

The estimate provides for the rental of conference and committee rooms equipped for simultaneous interpretation, and of additional office space for the secretariat. It includes charges for sound and recording operators, conference room attendants and messengers. The estimate is based on the rates applied by the United Nations for such services.

(iv) Other services - \$300

1963 Expenditure	:	\$666
1964 Expenditure	:	\$327
		\$117
1965 Budget	:	\$500

The estimate provides for the payment of miscellaneous expenses incurred in connexion with the session, such as rental of additional typewriters, removal of office furniture, etc.

Section 2 - Meetings of the Council and other Meetings \$34,850

As it is not possible at present to establish a final programme of meetings for 1966, it is proposed to maintain the same figures as approved for 1965, except for item (i), the estimate of which has been increased from \$22,400 to \$25,000 to bring it into line with the trend of expenditure of recent years.

Details are as follows:

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
	<u>Expenditure</u>		<u>Budget</u>	<u>Estimates</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
(i) Temporary assistance (including overtime)	24,899	25,154	22,400	25,000
(ii) Travel and subsistence of temporary staff	1,405	647	1,100	1,100
(iii) Rental of meeting rooms and additional office space	10,433	5,810	8,450	8,450
(iv) Other services	<u>165</u>	<u>133</u>	<u>300</u>	<u>300</u>
	36,902	31,744	32,250	34,850
	=====	=====	=====	=====

Section 3 - Trade Negotiations Conference \$24,000

The estimate for the Trade Negotiations Conference and its subsidiary committees provides for salaries and travel cost of temporary staff, the rental of conference and committee rooms and for miscellaneous expenses incurred in connexion with these meetings.

It is assumed that the Trade Negotiations Conference and its subsidiary committees will continue to meet over a period of twelve months. The 1965 budget estimate was based on a period of six months.

Details are as follows:

	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimates</u> <u>US\$</u>
(i) Temporary assistance (including overtime)	4,518	5,500	15,000
(ii) Travel and subsistence of temporary staff	604	800	800
(iii) Rental of meeting rooms and additional office space	35,393	5,000	7,000
(iv) Other services	<u>303</u>	<u>1,200</u>	<u>1,200</u>
	<u>40,818</u>	<u>12,500</u>	<u>24,000</u>

Part II - Secretariat

Section 1 - Salaries and Wages and Official Travel \$1,505,900

(i) Established posts - \$1,420,900

1963 Expenditure	:	\$ 697,861
1964 Expenditure	:	\$ 872,842
1965 Budget	:	\$1,078,300

The estimate provides for the following payments:

Ungraded posts:

Director-General's remuneration set by the CONTRACTING PARTIES on 22 March 1965 (Table 1);
Deputy Director-General's remuneration set by the Council in May 1962 (Table 1);
Post adjustment as per scale Class 4 effective from 1 May 1965 (Table 2).

Professional posts:

Salaries as per salary scales effective from 1 January 1962 (Table 1);
Post adjustment as per scale Class 4 effective from 1 May 1965 (Table 2).

General service category posts:

Salaries as per salary scales effective from 1 July 1965 (Table 3);
Language allowance payable in accordance with Staff Rules;
Non-resident's allowance (Swiss francs 1,800 per annum for each non-locally recruited staff member).

Under the arrangements for adjustment of general service category salary scales in Geneva, adjustments in those salary scales are made automatically on the basis of movement in the OFIAMP wage index. The present trend indicates that there could be further increases before the end of 1966. Provision has therefore been made to cover the additional cost which would result from one further increase of 4.6 per cent calculated as from 1 April 1966.

For easy reference, the salary scales and the scales of post adjustments for the professional category and above, as well as the salary scales for the general service category, are reproduced on the following pages.

TABLE 1
SALARY SCALES FOR THE PROFESSIONAL CATEGORY AND ABOVE
SHOWING ANNUAL GROSS AND NET SALARIES
AFTER APPLICATION OF STAFF ASSESSMENT

(in US dollars)

Step	Grade								
	P-1	P-2	P-3	P-4	P-5	D-1	D-2	Ungraded	
I	Gross	5,750	7,500	9,300	11,400	14,000	16,300	20,500	26,600
	Net	4,800	6,130	7,460	8,930	10,650	12,080	14,530	17,700
II	Gross	6,000	7,750	9,600	11,750	14,400	17,000	21,400	39,200
	Net	5,000	6,310	7,670	9,180	10,910	12,500	15,020	24,000
III	Gross	6,250	8,000	9,900	12,100	14,800	17,700	22,300	
	Net	5,190	6,500	7,880	9,420	11,170	12,920	15,520	
IV	Gross	6,500	8,250	10,200	12,450	15,200	18,400		
	Net	5,380	6,690	8,090	9,640	11,420	13,340		
V	Gross	6,750	8,500	10,500	12,800	15,600	19,100		
	Net	5,560	6,880	8,300	9,870	11,660	13,760		
VI	Gross	7,000	8,750	10,800	13,200	16,080	19,800		
	Net	5,750	7,060	8,510	10,130	11,950	14,140		
VII	Gross	7,250	9,000	11,100	13,600	16,560	20,500		
	Net	5,940	7,250	8,720	10,390	12,240	14,530		
VIII	Gross	7,500	9,300	11,400	14,000	17,040			
	Net	6,130	7,460	8,930	10,650	12,520			
IX	Gross	7,750	9,600	11,750	14,400	17,520			
	Net	6,310	7,670	9,180	10,910	12,810			
X	Gross		9,900	12,100	14,800	18,000			
	Net		7,880	9,420	11,170	13,100			
XI	Gross			12,450	15,200				
	Net			9,640	11,420				
XII	Gross			12,800					
	Net			9,870					

Note: For Pension Fund purposes the gross salaries are adjusted by 5 per cent.

TABLE 2
SCALES OF POST ADJUSTMENTS

CLASS 4

(in US dollars)

Step		Grade							Ungraded
		P-1	P-2	P-3	P-4	P-5	D-1	D-2	
I	D	864	1,104	1,344	1,584	1,872	2,016	2,304	2,880 ¹
	S	576	736	896	1,056	1,248	1,344	1,536	1,920
II	D	912	1,152	1,392	1,632	1,920	2,064	2,400	
	S	608	768	928	1,088	1,280	1,376	1,600	
III	D	960	1,200	1,440	1,680	1,968	2,112	2,496	
	S	640	800	960	1,120	1,312	1,408	1,664	
IV	D	1,008	1,248	1,488	1,728	2,016	2,160		
	S	672	832	992	1,152	1,344	1,440		
V	D	1,008	1,248	1,488	1,728	2,016	2,208		
	S	672	832	992	1,152	1,344	1,472		
VI	D	1,008	1,248	1,488	1,728	2,016	2,256		
	S	672	832	992	1,152	1,344	1,504		
VII	D	1,056	1,296	1,536	1,776	2,064	2,304		
	S	704	864	1,024	1,184	1,376	1,536		
VIII	D	1,104	1,344	1,584	1,824	2,112			
	S	736	896	1,056	1,216	1,408			
IX	D	1,152	1,392	1,632	1,872	2,160			
	S	768	928	1,088	1,248	1,440			
X	D		1,440	1,680	1,920	2,208			
	S		960	1,120	1,280	1,472			
XI	D			1,728	1,968				
	S			1,152	1,312				
XII	D			1,776					
	S			1,184					

¹ Family and single rates applicable to the posts of Director-General and Deputy Director-General.

Note: Rates per annum
D = family rates
S = single rates

TABLE 3
SALARY SCALES FOR GENERAL SERVICE CATEGORY SHOWING
ANNUAL GROSS AND NET SALARIES AFTER APPLICATION
OF STAFF ASSESSMENT
(in Swiss francs)

Step	Grade							
	G-1	G-2	G-3	G-4	G-5	G-6	G-7	
I	Gross	14,381	15,486	16,740	18,469	20,076	22,106	24,681
	Net	12,369	13,253	14,256	15,639	16,925	18,549	20,609
II	Gross	14,850	16,018	17,401	19,230	20,915	23,036	25,855
	Net	12,744	13,678	14,785	16,248	17,596	19,293	21,532
III	Gross	15,319	16,549	18,063	19,991	21,754	23,966	27,060
	Net	13,119	14,103	15,314	16,857	18,267	20,037	22,455
IV	Gross	15,788	17,080	18,724	20,753	22,593	24,896	28,291
	Net	13,494	14,528	15,843	17,466	18,938	20,781	23,378
V	Gross	16,256	17,611	19,385	21,514	23,431	25,826	29,521
	Net	13,869	14,953	16,372	18,075	19,609	21,525	24,301
VI	Gross	16,725	18,143	20,046	22,275	24,270	26,812	30,752
	Net	14,244	15,378	16,901	18,684	20,280	22,269	25,224
VII	Gross	17,194	18,674	20,708	23,036	25,109	27,804	31,983
	Net	14,619	15,803	17,430	19,293	20,951	23,013	26,147
VIII	Gross	17,663	19,205	21,369	23,798	25,949	28,796	33,213
	Net	14,994	16,228	17,959	19,902	21,622	23,757	27,070
IX	Gross	18,131	19,736	22,030	24,559	26,844	29,788	34,444
	Net	15,369	16,653	18,488	20,511	22,293	24,501	27,993
X	Gross	18,600	20,268	22,691	25,320	27,739	30,780	35,675
	Net	15,744	17,078	19,017	21,120	22,964	25,245	28,916
XI	Gross	19,069	20,799	23,353	26,092	28,633	31,772	36,905
	Net	16,119	17,503	19,546	21,729	23,635	25,989	29,839

The total number of posts proposed for 1966 is 202, of which two are ungraded, 87 are professional and 113 are general service posts. Eight professional and eight general service posts (\$115,430) concern the International Trade Centre.

The increase of \$342,600 as compared with the 1965 approved credit of \$1,078,300 is accounted for by:

- (a) the effect in 1966 of additional expenditure authorized by the CONTRACTING PARTIES during 1965:
 - (i) ten additional posts for the International Trade Centre \$65,470
 - (ii) the increase in general service category salary scales effective 1 March 1965 and 1 July 1965 \$32,070
 - (iii) the change from Class 3 to Class 4 post adjustment for professional staff and above \$30,820
 - (iv) adjustment of the Director-General's remuneration \$ 3,540 \$131,900
- (b) one G3 post of clerk-stenographer approved by the CONTRACTING PARTIES in November 1964 without supplementary credit (L/2269, paragraph 15) \$ 3,200
- (c) the creation of eight new professional and sixteen new general service posts (One general service post (switchboard operator) has been deleted) \$145,400
- (d) the regrading of twenty professional and fourteen general service posts \$ 15,950
- (e) the provision to cover additional cost resulting from one increase in general service category salary scales in 1966 \$ 12,900

(f) regular annual salary increments due under the Staff Rules	\$ 18,600	
(g) the retardation factor included in the 1965 budget	\$ 28,835	
(h) appointments made at a lower or higher salary level than that provided in the 1965 budget	<u>\$ 15,915</u>	\$372,700

Deduct: Expected savings due to retardation in recruitment of new posts in 1966..... \$ 25,100

Representation allowance payable to the Director-General and the Deputy Director-General henceforth included in the budget item for Representation and Hospitality (Section 5)..... \$ 5,000 \$ 30,100
\$342,600

NEW POSTS

New posts are proposed for the following units:

Office of the Director-General

None.

Department of External Relations

1 Assistant Director-General D2.

The post has been established in pursuance of the proposals of the Director-General concerning the top structure of the secretariat as approved by the Working Party on Organization and the CONTRACTING PARTIES at the twenty-second session.

1 Administrative Assistant G6.

The incumbent of this post will provide secretarial and administrative assistance to the Assistant Director-General.

External Relations Division

1 Secretary (bilingual) G4.

The incumbent of this post will provide clerical and secretarial assistance to the officers of the Division.

Information and Public Relations Office

1 Information Officer P3.

With the greater emphasis on information and public relations work it has become necessary to reinforce the office at the professional level, particularly in relation to the preparation and editing of publications.

1 Clerk-Typist G2/G3.

The incumbent of this post is to assist with the work of the GATT Library which has considerably increased during the past year, especially as regards reference queries, loans and acquisitions.

Department of Trade Policy and Intelligence

General Division

None.

Agricultural Division

1 Counsellor P4.

The work of this Division is increasing substantially particularly in relation to that sector of the Kennedy Round concerned with the negotiation of trade arrangements in respect of a number of major agricultural products. It is, therefore, proposed to establish a new senior post to assist with this work which requires highly qualified assistance.

Trade Intelligence Division

- 1 Counsellor P4/P5.
- 1 Economic Affairs Officer P2.

The contribution required from the Trade Intelligence Division towards the work of the CONTRACTING PARTIES in relation to commodities within the trade negotiations and otherwise together with the demands made on the Division in connexion with country studies has made it necessary to reinforce the Division at both the senior and junior professional level.

Department of Trade and Development

Development Division

1 Economic Affairs Officer P3.

The incumbent of this post will assist in servicing meetings and preparing summary records and reports of meetings.

1 Clerk-Stenographer G3.

The incumbent of this post is to assist with the Division's increasing typing, dictation work and filing.

Department of Conference Services and Administration

Conference Secretariat Division

1 Assistant Economic Affairs Officer P1/P2.

In order to enable the Director of the Division to give more attention to the Division's legal work, and particularly the preparation and maintenance of an up-to-date analytical index of action taken under the General Agreement, a new junior post is requested whose incumbent will, amongst other duties, be required to undertake the necessary work in the preparation of such analyses.

1 Documents Clerk G4.

The incumbent of this post is to assist the Documents Officer in the control and registration of all documents issued by the secretariat.

Administrative and Financial Division

Personnel Section

1 Clerk-Typist G3.

The incumbent of this post is to assist with the typing of the growing number of personnel actions, letters of appointment, correspondence with applicants, Pension Fund administration, sickness insurance, etc.

Internal Services and Travel Section

1 Clerk G5.

In order to free the Chief of Section for more important administrative duties, a new clerical post has been created whose incumbent is to assist the Chief of Section in particular with the supervision and organization of the work of messengers and drivers, and of repair and maintenance of office equipment and buildings.

1 Messenger-Driver G2.

To assist in servicing the new Annex.

Finance and Accounts Section

1 Senior Finance Clerk G5/G6.

1 Finance Clerk G3/G4.

These posts have been established in order to cope with the increase in payments and accounts work resulting from the larger budget and general expansion of financial operations.

Documents Reproduction Section

1 Clerk G2.

The output of this Section has been gradually increased over the years. The incumbent of the new post will act as mimeograph operator (the Section will have four mimeograph machines in 1966) and also operate the photocopying machine.

Stenographic and Typing Section.

English Pool - 1 Stenographer G3.
French Pool - 3 Stenographers G3.
Spanish Pool - 1 Stenographer G3.

The need for these five new posts has been empirically established on the basis of temporary assistance figures in the current year.

Languages Division

1 Translator P3.

The post has been established for an additional Spanish translator in view of the increased output of documents in Spanish.

International Trade Centre

None.

UPGRADINGS

In addition to the senior professional posts referred to in paragraphs 12 to 17 of the Introduction, which have been the subject of a special review, the following professional and general service posts are proposed for upgrading as the result of the regular annual budget review.

Office of the Director-General

Administrative Assistant from G7 to Administrative Officer P1.

Registry

Clerk from G3 to G4.

Department of External Relations

Information and Public Relations Office

Clerk from G3 to G4.

Department of Trade Policy and Intelligence

General Division

Counsellor from P3 to P4.
Senior Clerk from G5 to Administrative Assistant G6.

Trade Intelligence Division

Economic Affairs Officer from P2 to P3.

Special Projects Section

Clerk-Stenographer from G3 to G4.

Department of Trade and Development

Secretary from G4 to G5.

Development Division

Economic Affairs Officer from P2 to P3.

Department of Conference Services and Administration

Conference Secretariat Division

Conference Assistant from G7 to Conference Officer P1.

Administrative and Financial Division

Secretary from G5 to Administrative Assistant G6.

Personnel Section

Personnel Officer (Chief of Section) P3 to P4.
Clerk from G2 to G3.

Internal Services and Travel Section

Clerk-Typist from G2 to G3.
Clerk from G3 to G4.

Budget and Control Section

Budget and Control Officer (Chief of Section) from P2 to P3.
Finance Clerk from G3 to Senior Finance Clerk G5/G6.

Finance and Accounts Section

Finance and Accounts Officer (Chief of Section) from P2 to P3.

Languages Division

Secretary from G5 to Administrative Assistant G6.
Clerk from G3 to G4.

International Trade Centre.

Market Information Section

Economic Affairs Officer from P3 to Counsellor P4.

In all cases concerned the responsibilities attached to the posts have increased as a result of the expansion of the secretariat's activities. The proposed reclassifications take account of the grading standards applied by the United Nations and other organizations to posts of a similar character.

1966 MANNING TABLE

The 1966 Manning Table is set out below. It will be noted that the Director, Conference Secretariat Division, will henceforth also act as Director of the In-Service Training Programme in the Office of the Director-General, which is responsible for this activity. The Director will be assisted by an Economic Affairs Officer from his Division, and by an Administrative Assistant in the Office of the Director-General.

Number
of posts

OFFICE OF THE DIRECTOR-GENERAL

1	Director-General
1	Deputy Director-General
1	Economic Adviser
1	Counsellor
1	Executive Officer
1	Administrative Officer
1	Secretary

Registry

1	Chief, Registry
2	Clerks

Number
of posts

OFFICE OF THE DIRECTOR-GENERAL (cont'd)

In-Service Training Programme

[1]
[1]
1

* Director of In-Service Training Programme
*Economic Affairs Officer
Administrative Assistant

DEPARTMENT OF EXTERNAL RELATIONS

1	Assistant Director-General	New post
1	Administrative Assistant	New post

External Relations Division

2	Counsellors	
1	Secretary (bilingual)	New post

Information and Public Relations Office

1	Chief of Office	
1	Information Officer	New post
1	Administrative Officer	
1	Assistant Librarian	
1	Sales Clerk	
1	Clerk indexer	
2	Clerks	
1	Clerk-Stenographer	
1	Clerk-Typist	New post
1	Clerk-Typist	

DEPARTMENT OF TRADE POLICY AND INTELLIGENCE

1	Assistant Director-General	
1	Counsellor	
1	Administrative Assistant	
1	Secretary	
4	Clerk-Stenographers	
1	Clerk-Typist	

* Posts also listed under Conference Secretariat Division.

Number
of posts

DEPARTMENT OF TRADE POLICY AND INTELLIGENCE (cont'd)

General Division

1	Director of Division
2	Counsellors
2	Economic Affairs Officers
1	Administrative Assistant

Agricultural Division

1	Director of Division	
1	Counsellor	New post
1	Counsellor	
2	Economic Affairs Officers	
1	Assistant Economic Affairs Officer	

Trade Intelligence Division

1	Director of Division	
1	Counsellor	New post
1	Counsellor	
3	Economic Affairs Officers	
1	Economic Affairs Officer	New post
1	Secretary	
1	Clerk-Stenographer	
1	Senior Statistical Officer	
1	Statistical Officer	
1	Assistant Statistical Officer	
4	Statistical Assistants	
1	Statistical Clerk	

Special Projects

1	Counsellor
1	Economic Affairs Officer
1	Assistant Economic Affairs Officer
1	Statistical Assistant
1	Clerk-Stenographer

DEPARTMENT OF TRADE AND DEVELOPMENT

1	Assistant Director-General
1	Secretary

Number
of posts

DEPARTMENT OF TRADE AND DEVELOPMENT (cont'd)

Development Division

1	Director of Division	
1	Counsellor	
5	Economic Affairs Officers	
1	Economic Affairs Officer	New post
2	Research Officers	
1	Senior Clerk	
1	Clerk-Stenographer	New post
2	Clerk-Stenographers	

DEPARTMENT OF CONFERENCE SERVICES AND ADMINISTRATION

1	Head of Department	
1	Secretary	

Conference Secretariat Division

1	* Director of Division	
1	* Economic Affairs Officer	
1	Assistant Economic Affairs Officer	New post
1	Documents Officer	
1	Conference Officer	
1	Documents Clerk	New post
1	Stenographer	
1	Clerk	
1	Clerk-Stenographer	
1	Clerk (Conference)	

Administrative and Financial Division

1	Director of Division	
1	Administrative Assistant	

(a) Personnel Section

1	Personnel Officer (Chief of Section)	
1	Assistant Personnel Officer	
1	Senior Clerk	
1	Clerk-Stenographer	
1	Clerk	
1	Clerk-Typist	New post

* Posts also listed under In-Service Training Programme.

Number
of posts

Administrative and Financial Division (cont'd)

(b) Internal Services and Travel Section

1	Administrative Officer (Chief of Section)	
1	Clerk	
1	Clerk	New post
1	Clerk-Typist	
1	Inventory Clerk	
3	Drivers	
1	Caretaker-Gardener	
5	Messenger-Drivers	
1	Messenger-Driver	New post
1	Doorkeeper	

(c) Budget and Control Section

1	Budget and Control Officer (Chief of Section)	
1	Assistant Budget and Control Officer	
1	Senior Finance Clerk	
1	Finance Clerk	

(d) Finance and Accounts Section

1	Finance and Accounts Officer (Chief of Section)	
1	Assistant Finance and Accounts Officer	
1	Senior Finance Clerk	New post
2	Finance Clerks	
1	Finance Clerk	New post

(e) Documents Reproduction Section

3	Clerks	
1	Clerk	New post

(f) Stenographic and Typing Section

1	Chief of Section	
1	Deputy Chief of Section	

(i) English Pool

1	Supervisor	
6	Stenographers	
1	Stenographer	New post
3	Typists	

Number
of posts

Administrative and Financial Division (cont'd)

(ii) French Pool

1	Supervisor	
9	Stenographers	
3	Stenographers	New posts
2	Typists	

(iii) Spanish Pool

3	Stenographers	
1	Stenographer	New post

Languages Division

1	Director of Division	
2	Revisers	
1	Translator-Reviser	
5	Interpreter-Translators	
6	Translators	
1	Translator	New post
1	Administrative Assistant	
1	Clerk	

INTERNATIONAL TRADE CENTRE

1	Director of Centre	
1	Deputy Director of Centre	
1	Administrative Assistant	
1	Clerk-Stenographer	

Market Information Section

1	Counsellor	
1	Trade Information Officer	
1	Trade Promotion Officer	
1	Clerk-Stenographer (bilingual)	
1	Clerk-Typist	

Training Section

1	Economic Affairs Officer	
1	Clerk-Stenographer (bilingual)	

Number
of posts

INTERNATIONAL TRADE CENTRE (cont'd)

Documentation and Publications Section

(i) Documentation Unit

1	Economic Affairs Officer
1	C. Bibliographer
1	Clerk-Typist

(ii) Publications Unit

1	Economic Affairs Officer/Editor
1	Circulation Clerk

—
202 posts
=

(i) Temporary assistance (including overtime) - \$15,000

1963 Expenditure:	\$28,418
1964 Expenditure:	\$49,293
1965 Budget:	\$10,000

The estimate provides for salaries of additional staff needed to replace regular staff on sick leave, maternity leave or annual leave as well as for temporary reinforcements to meet fluctuations in the volume of work. It also includes a provision for overtime payments to regular and temporary staff and covers payment for accrued annual leave to eligible temporary staff whose salaries are charged to this item.

Although it is hoped that the consolidation in the permanent establishment of several temporary posts in 1965 and 1966 will result in reduced demands for temporary assistance during 1966, it is nevertheless proposed, in view of recent expenditure figures, that the credit under this item be increased by \$5,000.

(iii) Consultants - \$15,000

1964 Expenditure -	\$19,281
1965 Budget -	\$15,000

The estimate provides for fees payable to consultants engaged for short periods on special projects, such as studies on the economic development of various countries. It also covers the fee payable to the former Deputy Executive Secretary for his services as a consultant.

(iv) Travel - \$55,000

(a) Travel on official business - \$50,000

1963 Expenditure: \$31,604
1964 Expenditure: \$30,649
1965 Budget: \$45,000

The estimate provides for the payment of travel expenses, subsistence allowances and other incidental expenses relating to missions of staff members travelling on official business, including in particular representation of GATT at meetings and conferences of other organizations outside Geneva, consultations with government officials, lectures given by GATT officials, study missions in connexion with the programme of studies on the economic development of various countries, etc. The estimate also includes the travel expenses and subsistence allowances of temporary staff not engaged specially for meetings and of consultants engaged on special projects. It further includes the premiums of insurance taken out when officials travel by air. In exceptional cases and by special authorization of the Director-General, transportation costs and/or subsistence allowance in respect of the Chairman of the CONTRACTING PARTIES may be charged to this credit where travel is undertaken exclusively on behalf of and in the interest of the CONTRACTING PARTIES as a whole.

The credit also provides for the cost of missions carried out by senior officials with a view to establishing closer contact between the secretariat and governments located in areas far distant from Geneva.

The budget item for official travel has again been the subject of close scrutiny. A small increase of \$5,000 is submitted this year. This reflects the view of the Director-General that the most efficient and least costly method of maintaining the necessary liaison with members governments and regional organizations is through carefully planned visits of senior officers and not through the establishment of regional offices, as has sometimes been proposed.

(b) Technical assistance travel - \$5,000

1963 Expenditure: \$4,352
1964 Expenditure: \$4,364
1965 Budget: \$5,000

The estimate provides for travel expenses, subsistence allowances and other incidental expenses relating to missions of technical assistance experts and consultants or of GATT staff members travelling on technical assistance missions.

Section 2 - Common Staff Costs\$382,400

(i) Installation grants - \$8,800

1963 Expenditure: \$ 6,019
1964 Expenditure: \$ 5,628
1965 Budget: \$11,400

The estimate provides for the payment of installation grants to newly recruited non-local staff members and their dependants at statutory rates laid down by the Staff Rules. Existing rules provide for payment of fifteen days' subsistence.

allowance (\$15 per day) to staff members without dependants and of thirty days for staff members with dependants; in respect of each dependant payments amount to one half of such allowance (\$7.50 per day) for thirty days.

(ii) Travel and removal expenses of staff and their dependants - \$14,000

1963 Expenditure: \$12,366
1964 Expenditure: \$ 9,420
1965 Budget: \$17,000

The estimate provides for travel expenses and subsistence allowances payable in accordance with the Staff Rules in respect of officials and their families on appointment and separation and of candidates brought to Geneva for interviews in connexion with vacant posts. In addition it provides for the cost of removal of furniture and household effects for eligible staff.

(iii) Separation payments - \$5,000

1963 Expenditure: \$7,099
1964 Expenditure: \$2,576
1965 Budget: \$5,000

The estimate provides for accrued annual leave as well as a token provision for the statutory indemnity due when an appointment is terminated by the organization. It also covers payment of the statutory grant on death.

(iv) Contributions to the United Nations Joint Staff Pension Fund - \$207,800

1963 Expenditure: \$ 98,654
1964 Expenditure: \$109,695
1965 Budget: \$157,200

The estimate is based on payment of 14 per cent of pensionable remuneration of all staff belonging to the Fund as full participants and $4\frac{1}{2}$ per cent of pensionable remuneration of associate participants including staff of both categories who are expected to be recruited in 1966.

Following the Decision by the CONTRACTING PARTIES at their twenty-second session of 22 March 1965, the level of pensionable remuneration is determined as follows:

(a) For general service category staff the base pensionable remuneration is the gross salary rate applicable to the participant's grade and step (Table 3 on page 19).

Any non-resident's allowance and language allowance which may be payable to the staff member are to be added to this base pensionable remuneration.

(b) For the staff members of the professional category and above the base pensionable remuneration is determined as in (a), but is adjusted by 5 per cent (Table 1 on page 17). This is to take account of the movement in the weighted average of post adjustments for pension purposes, and is in accordance with the established procedure whereby pensionable remuneration shall be adjusted in multiples of 5 per cent whenever the weighted average of the post adjustment classifications of all the member organizations of the Fund varies by 5 per cent measured from 1 January 1962.

The estimate also covers the organization's share in the validation of non-pensionable service for staff members who, having been associate participants to the Fund, become full members.

At 30 June 1965 full participants and associate participants employed by GATT and for whom contributions were charged to this item numbered 112 and forty-three respectively.

The principal factors which have caused the increase of \$70,600 in the estimate for 1966, are: (a) the higher cost of contributions to the Joint Staff Pension Fund resulting from the decision that, as from 1 March 1965, pensionable remuneration should be calculated on a full gross basis; (b) the adjustments in general service category salary scales; (c) the additional posts approved in 1965 for the International Trade Centre; (d) the additional posts requested for 1966; (e) statutory increments in 1966; and (f) the retardation factor applied in 1965.

(v) Repatriation grants and service benefits - \$5,000

1963 Expenditure:	\$4,412
1964 Expenditure:	\$2,482
1965 Budget:	\$5,000

The estimate provides for the payment of repatriation grants and service benefits on separation to non-locally recruited staff in accordance with the Staff Rules.

(vi) Travel on home leave - \$22,000

1963 Expenditure:	\$17,217
1964 Expenditure:	\$10,561
1965 Budget:	\$28,000

The estimate covers travel expenses and subsistence allowances for non-locally recruited staff members and their families eligible for home leave in 1966.

Staff members are entitled to home leave every two years counting as from the year of their appointment.

The estimate is based on current travel rates and on presently authorized modes and standards of accommodation. On the basis of total 1966 entitlements the requirements under this item would amount to approximately \$28,000.

The lower amount takes account of possible deferments, savings on the estimated cost of individual journeys, partial utilization or non-utilization of entitlements, etc.

(vii) Family allowances, education grants and related travel - \$97,400

(a) Family allowances - \$78,500

1963 Expenditure:	\$38,614
1964 Expenditure:	\$47,306
1965 Budget:	\$54,500

The estimate for this sub-item provides for family allowances payable to both professional and general service category staff in accordance with the Staff Rules.

The estimate reflects an increase of \$24,000 in comparison with the 1965 appropriation, which can mainly be accounted for by (a) the additional posts approved in 1965 for the International Trade Centre; (b) the additional posts requested for 1966; and (c) the retardation factor applied in 1965.

(b) Education grants and related travel - \$18,900

1963 Expenditure:	\$ 8,984
1964 Expenditure:	\$11,242
1965 Budget:	\$16,500

The estimate provides for the education grants and related travel costs payable to non-locally recruited staff members under the Staff Rules.

(viii) Joint services - \$5,200

1963 Expenditure:	\$2,248
1964 Expenditure:	\$3,904
1965 Budget:	\$4,500

The estimate provides for GATT's share in the cost of the Joint Medical Service, the Joint Housing Service, the CCAQ Staff Office and the International Civil Service Advisory Board; it also covers GATT's share in the cost of language courses organized by the United Nations.

(ix) Other common staff costs - \$17,200

1963 Expenditure: \$ 4,858
1964 Expenditure: \$ 9,832
1965 Budget: \$12,600

The estimate provides for the organization's contribution to the United Nations Sickness Insurance Society. It also covers expenditure in connexion with medical examinations required on appointment of new staff members.

The increase in this item is mainly due to the additional posts approved in 1965 for the International Trade Centre and additional posts required for 1966, as well as the higher scale of contributions, which is automatically adjusted following increases in salary scales. The rules provide that the staff member pays 55 per cent and the organization 45 per cent of the total contribution due to the United Nations Sickness Insurance Society.

Section 3 - Common Services\$160,700

(i) Cables and telephone communications - \$3,500

1963 Expenditure: \$2,908
1964 Expenditure: \$2,497
1965 Budget: \$2,500

The estimate provides for the cost of official cables and telephone communications.

(ii) Freight and cartage - \$800

1963 Expenditure: \$213
1964 Expenditure: \$889
1965 Budget: \$500

The estimate provides for charges payable to transport agencies on delivery of material ordered by the secretariat.

(iii) Books and information material - \$8,500

1963 Expenditure: \$2,027
1964 Expenditure: \$3,395
1965 Budget: \$6,000

The estimate provides for the purchase of books, periodicals, and newspapers, which are considered necessary for their value as sources of information and reference material. It also provides for the purchase of dictionaries.

An amount of \$3,000 has been included in this item to cover expenditure in connexion with the International Trade Centre.

(iv) Rental and maintenance of premises and equipment - \$49,200

The details are as follows:

	<u>1963</u> <u>Expenditure</u> <u>US\$</u>	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimate</u> <u>US\$</u>
(a) <u>Rent</u>	4,672	4,676	4,700	4,700
<p>The estimate provides for the rent of the Villa Le Bocage, payable to the United Nations.</p>				
(b) <u>Electricity</u>	1,779	2,202	2,500	3,000
<p>The estimate provides for the cost of electricity for the Villa Le Bocage and the two Annexes.</p>				
(c) <u>Water supply</u>	276	199	300	300
<p>The estimate provides for the cost of the water supply to the Villa Le Bocage, the two Annexes and the gardener's lodge.</p>				
(d) <u>Heating</u>	2,158	1,630	3,200	2,800
<p>Heating oil is purchased on a joint basis with the United Nations and other international organizations established in Geneva in order to obtain the most favourable conditions of price and quality. The proposed reduction in the estimate is due to the considerable decrease of the price for heating oil.</p>				

	<u>1963</u> <u>Expenditure</u> <u>US\$</u>	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimate</u> <u>US\$</u>
(e) <u>Telephone (rental and local calls)</u>	2,005	2,569	3,000	2,800
<p>The estimate provides for the rental of telephone installations and a token amount for local calls, payable to the United Nations.</p>				
(f) <u>Insurance premiums</u>	1,082	1,434	1,600	2,150
<p>The estimate provides for the premiums for insurance of the two Annexes of the Villa Le Bocage and of all furniture and equipment against fire and water damage; third party insurance; insurance of service cars; insurance against accidents to drivers, messengers and clearers.</p>				
(g) <u>Cleaning materials</u>	139	181	300	500
<p>The estimate provides for the cost of all cleaning materials used for the upkeep of the offices, furniture and equipment.</p>				
(h) <u>Maintenance expenditure</u>	4,179	6,188	6,500	8,450
<p>The estimate covers continuing charges for maintenance and repairs to GATT premises and office equipment as well as the cost of minor repairs to the Villa Le Bocage and the maintenance of gardens. It also covers the cost of purchase and cleaning of uniforms for messengers and drivers.</p>				

	<u>1963</u> <u>Expenditure</u> <u>US\$</u>	<u>1964</u> <u>Expenditure</u> <u>US\$</u>	<u>1965</u> <u>Budget</u> <u>US\$</u>	<u>1966</u> <u>Estimate</u> <u>US\$</u>
(i) <u>Casual labour</u>	10,178	11,657	19,000	23,200
<p>The estimate provides for salaries and wages of four cleaners as well as for fees payable to a local cleaning firm for the cleaning of the two Annexes.</p>				
(j) <u>Maintenance of service cars</u>	739	977	800	1,300
<p>The estimate provides for the maintenance and repairs, including petrol and oil, of four service cars.</p>				
	<u>27,207</u>	<u>31,713</u>	<u>41,900</u>	<u>49,200</u>

(v) Postal services - \$17,000

1963 Expenditure: \$ 9,587
1964 Expenditure: \$12,102
1965 Budget: \$11,500

The estimate provides for the cost of postage on correspondence, documents and GATT publications despatched through the United Nations Mailing Section. It also covers GATT's share in the cost of the United Nations Mailing Section.

The main part of the increase over the 1965 budget is due to the cost of postage on the publications to be issued by the International Trade Centre (\$3,000).

(vi) Stationery and office supplies - \$18,000

1963 Expenditure: \$8,192
1964 Expenditure: \$9,057
1965 Budget: \$9,000

The estimate provides for the purchase of general office supplies, stencils, duplicating paper, etc.

The main part of the proposed increase in the estimate is due to requirements in respect of the International Trade Centre (\$8,000).

(vii) Reproduction and distribution of documents - \$60,000

1963 Expenditure: \$41,377
1964 Expenditure: \$51,641
1965 Budget: \$57,000

The estimate provides for the cost of reproduction (inclusive of paper) and distribution by the United Nations European Office of GATT documents at the standard rates applicable.

The proposed increase in the estimate is due to the increased rates payable as from 1 January 1966.

(viii) External audit - \$1,500

1963 Expenditure: \$1,492
1964 Expenditure: \$1,482
1965 Budget: \$1,500

The estimate provides for the fee (including travel expenses) payable to the external auditor in respect of the external audit of the accounts. The fee covers an interim audit in the course of the financial year and the final audit of the 1966 accounts.

(ix) Other services and miscellaneous expenditure - \$2,200

1963 Expenditure: \$4,223
1964 Expenditure: \$1,017
1965 Budget: \$2,200

The estimate provides for miscellaneous expenditure such as bank charges, fees for the issuance of visas, laissez-passer and passports, the rental of typewriters, the cost of advertisements, etc.

Section 4 - Printing\$57,000

1963 Expenditure: \$30,632
1964 Expenditure: \$34,581
1965 Budget: \$55,000

The estimate provides for the printing costs (inclusive of paper) of the following publications: Basic Instruments and Selected Documents - Fourteenth Supplement (EFS)¹ and Volume IV (revised text of GATT, EFS); Activities of GATT (EFS); Status of Multilateral Protocols (EF); International Trade 1965 (EFS); GATT, What it is (EFS); Miscellaneous Legal Instruments (EF); Information Papers (addresses by Director-General) (EF); Committee II Report (EFS); Publications on Country Studies (EF); FORUM (EFS); Supplements to the FORUM and pamphlets on Special Subjects (EFS) etc. The cost of the FORUM, the supplements to the FORUM and pamphlets on Special Subjects etc., issued by the International Trade Centre, is estimated at \$22,500.

¹English, French, Spanish.

Section 5 - Representation and Hospitality\$7,500

1963 Expenditure: \$ 400
1964 Expenditure: \$ 642
1965 Budget \$1,500

The total estimate for 1966 under this item provides for the following:

- (a) \$3,500 and \$1,500 in respect of the representation allowance fixed by the CONTRACTING PARTIES in 1955 and payable to the Director-General and the Deputy Director-General respectively;
- (b) \$1,000 in respect of the representation allowance payable to the Assistant Director-General in charge of external relations;
- (c) \$1,500 for all official hospitality rendered in the course of their functions by officials of the secretariat not entitled to a personal representation allowance under (a) or (b), and authorized in advance by the Director-General. It also covers expenses resulting from hospitality rendered on behalf of the secretariat as a whole, which cannot be properly charged to personal representation allowances. In addition, expenses resulting from hospitality extended by the Chairman of the CONTRACTING PARTIES may, in exceptional cases and by special authorization of the Director-General, be charged to this credit.

In previous years the amounts of \$3,500 and \$1,500 payable to the Director-General and the Deputy Director-General were included under Section 1(i) - Established posts.

Section 6 - Permanent Equipment.....\$26,624

1963 Expenditure: \$12,946
1964 Expenditure: \$13,918
1965 Budget: \$67,400

The estimate provides for additions to and replacements of furniture and equipment. For the purpose of comparison it is recalled that the 1965 budget included an amount of \$31,800 in respect of furniture and equipment for the second Annex.

Part III - Buildings

Section 1 - Annuity to Canton of Geneva in respect of First Annex... \$23,500

1963 Expenditure: \$23,148
1964 Expenditure: \$23,148
1965 Budget: \$23,500

The item provides for payment of the seventh of ten annuities due in respect of the interest-free loan of Swiss francs 1,000,000 granted in 1961 by the Canton of Geneva to the CONTRACTING PARTIES to finance the construction of the first Annex for the secretariat.

Of the total amount made available to the CONTRACTING PARTIES, Swiss francs 951,450.25 were drawn.

To date the balance of the loan still outstanding amounts to Swiss francs 348,410.25 (Approximately \$80,650).

Section 2 - Annuity to FIPOI in respect of Second Annex.....\$34,075

The item provides for the first annuity due to the FIPOI (Fondation des immeubles pour les organisations internationales) in repayment of the $3\frac{1}{2}$ per cent loan of Swiss francs 626,400 (\$145,000) which was granted in June 1965 to the CONTRACTING PARTIES to cover the balance of funds necessary for financing the construction of the second Annex in accordance with the Decision of the CONTRACTING PARTIES of 8 August 1964. The Agreement with the FIPOI provides that the loan should be repaid by instalments of Swiss francs 125,280 (\$29,000) per year over five years, beginning in June 1966. An amount of \$5,075 representing interest charges on \$145,000 for one year is included in the estimate.

The FIPOI was set up recently by the Swiss Confederation and the Canton of Geneva to assist in making buildings available for international organizations established in Geneva.

Part IV - Working Capital Fund

Section 1 - Reimbursement of Withdrawal.....\$48,151

In accordance with the Decision of the CONTRACTING PARTIES of 22 March 1965 (L/2372 and SR.22/7) an amount of \$48,150.77 was withdrawn from the Working Capital Fund in order to meet excess expenditure in 1964.

The Resolution of 17 November 1956 governing the use of the Working Capital Fund stipulates that the Director-General shall make provision in the budget estimates for the reimbursement to the Working Capital Fund of advances made. Accordingly, and in conformity with the usual practice of providing for reimbursements to the Working Capital Fund through the budget for the next year but one, the estimate under this item includes an amount of \$48,150.77 for repayment to the Working Capital Fund in 1966.

ANNEX D

INCOME BUDGET ESTIMATES

1. It is proposed that the 1966 budget be financed as follows:

	<u>Amount in US dollars</u>
(a) contributions assessed on contracting parties	2,281,000
(b) miscellaneous income	44,000
	<u>2,325,000</u>
	<u>=====</u>

2. In accordance with the usual practice the secretariat has prepared the draft scale of contributions based on the foreign trade figures of the last three years (1962, 1963 and 1964). It includes a minimum contribution of \$2,500 which applies to countries whose share in the total trade of the contracting parties and associated governments is 0.1 per cent or less. A second minimum contribution is applied to countries whose trade figure is between 0.1 and 0.5 per cent and is fixed at an amount corresponding to 0.5 per cent of the total contributions for the financial year.

DRAFT SCALE OF CONTRIBUTIONS FOR 1966

C O U N T R Y	Percentage ^a	Provisional 1966 contributions (US dollars)	1 9 6 5 contributions (US dollars)
<u>Contracting parties:</u>			
Australia	1.979	45,140	33,850
Austria	1.074	24,500	18,970
Belgium	3.286	74,960	55,400
Brazil	0.974	22,220	18,830
Burma	0.500	11,410	8,740
Burundi	0.110	2,500	- ^c
Cameroon	0.110	2,500	2,500
Canada	4.901	111,800	85,400
Central African Republic	0.110 ^b	2,500	2,500
Ceylon	0.500	11,410	8,740
Chad	0.110 ^b	2,500	2,500
Chile	0.500	11,410	8,740 ^c
Congo (Brazzaville)	0.110 ^b	2,500	2,500
Cuba	0.500 ^b	11,410	8,970
Cyprus	0.110	2,500	2,500
Czechoslovakia	1.708	38,960	30,020
Dahomey	0.110 ^b	2,500	2,500
Denmark	1.488 ^b	33,940	25,090
Dominican Republic	0.500	11,410	8,740
Finland	0.881	20,100	15,390
France	6.165 ^d	140,630	104,770
Gabon	0.110 ^b	2,500	2,500 ^c
Gambia	0.110 ^b	2,500	-
Germany, Federal Republic	9.891	225,620	171,350
Ghana	0.500	11,410	8,740
Greece	0.500	11,410	8,740
Haiti	0.110	2,500	2,500
India	1.419	32,370	25,470
Indonesia	0.500 ^b	11,410	9,180
Israel	0.500	11,410	8,740
Italy	4.305	98,200	72,970
Ivory Coast	0.500	11,410	8,740
Jamaica	0.500	11,410	8,740
Japan	4.397 ^e	100,300	73,130
Kenya	0.500 ^e	11,410	8,740
Kuwait	0.500 ^f	11,410	8,830
Luxemburg	0.500	11,410	8,740
Madagascar	0.110	2,500	2,500
Malawi	0.110	2,500	2,500
Malaysia	1.164 ^b	26,550	22,060 ^c
Malta	0.110 ^b	2,500	-
Mauritania	0.110	2,500	2,500
Netherlands, Kingdom of the	4.517	103,040	77,820
New Zealand	0.636	14,510	11,290
Nicaragua	0.110 ^b	2,500	2,500
Niger	0.110 ^b	2,500	2,500
Nigeria, Federation of	0.500	11,410	8,740
Norway	1.036	23,630	18,010
Pakistan	0.500	11,410	8,740
Peru	0.500	11,410	8,740
Portugal	0.627 ^d	14,310	10,790
Rhodesia	0.500	11,410	8,740
Senegal	0.110	2,500	8,740
Sierra Leone	0.110	2,500	2,500
South Africa	1.181	26,940	20,280
Spain	0.966	22,040	15,180
Sweden	2.374 ^e	54,150	40,840
Tanzania	0.500 ^e	11,410	8,740
Togo	0.110 ^b	2,500	2,500

C O U N T R Y	Percentage ^a	Provisional 1966 contributions (US dollars)	1 9 6 5 contributions (US dollars)
<u>Contracting parties (cont'd):</u>			
Trinidad and Tobago	0.500	11,410	8,740
Turkey	0.500	11,410	8,740
Uganda	0.110 ^e	2,500	2,500
United Kingdom of Great Britain and Northern Ireland	10.445 ^d	238,250	185,040
United States of America	15.097	344,370	263,950
Upper Volta	0.110	2,500	2,500
Uruguay	0.500	11,410	8,740
<u>Associated Governments:</u>			
Argentina	0.872	19,890	16,380
Cambodia	0.110	2,500	2,500
Iceland	0.110	2,500	2,500
Poland	1.403	32,010	23,360
Switzerland	2.020	46,080	34,910
Tunisia	0.500	11,410	8,740
United Arab Republic	0.500	11,410	8,740
Yugoslavia	0.664	15,150	10,940
Total	100.000	2,281,000	1,748,250

^a Based on the country's share in total trade of the contracting parties and participating governments in 1962-1964.

^b Based on the country's share in total trade of the contracting parties and participating governments in 1961-1963.

^c 1965 contributions assessed during the financial year.

^d For certain minor territories for which the 1964 trade data are not yet available the percentages are based on trade in 1961-1963.

^e Trade between Kenya, Uganda and Tanzania are based on trade in 1961-1963.

^f Based on data excluding imports of petroleum companies.

Sources: International Financial Statistics, IMF, July 1965.
Yearbook of International Trade Statistics, UN, 1963.
Monthly Bulletin of Statistics, UN, June 1965.
The Commonwealth and the Sterling Area, Board of Trade, 1963.