

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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EXECUTIVE SECRETARY'S FINANCIAL REPORT

ON THE 1964 ACCOUNTS

and

REPORT OF THE EXTERNAL AUDITOR THEREON

EXECUTIVE SECRETARY'S FINANCIAL REPORT ON THE 1964 ACCOUNTS

1. The Executive Secretary hereby submits his report on the accounts of the General Agreement on Tariffs and Trade for the financial year ending 31 December 1964.
2. The annual accounts are presented in US dollars. The accounting records are kept in Swiss francs. The conversion of the 1964 accounts has been calculated at the rate of Swiss francs 4.32 to one US dollar. This rate was applied as from 1 January 1962 in accordance with the decision taken by the Controller of the United Nations, subsequently followed by the Geneva-based specialized agencies.

GENERAL FUND

3. Income and Expenditure Account (Statements 1 and 2)

(i) Income

(a) Contributions

US dollars

At the adoption of the income budget, 1964 contributions were assessed on contracting parties in the amount of 1,320,000

During 1964 the following contributions were assessed on six new contracting parties:

	<u>US dollars</u>	
Iceland	2,063	
Ivory Coast	6,600	
Kenya	6,600	
Malawi	1,223	
Niger	2,500	
Togo	<u>2,500</u>	21,486

In addition, the adjustment of the United Kingdom contribution due to the accession to GATT of Kenya and Malawi and the assessment on behalf of Zambia amounts to

115
1,341,601

Of the total assessed contributions for 1964, collections as at 31 December 1964 amounted to US\$1,261,811.61.

(b) Transfer from Surplus Account

In accordance with the resolution on expenditure adopted by postal ballot in December 1963, an amount of US\$55,000 was transferred to income from the Surplus Account.

(c) Miscellaneous Income

For 1964 miscellaneous income amounted to US\$44,224.47 against an estimate of US\$42,000. The details compared with those of 1962 and 1963 are as follows:

	<u>1962</u> US dollars	<u>1963</u> US dollars	<u>1964</u> US dollars
Sale of publications	7,167.81	12,187.34	9,168.63
Income from investments	22,663.80	25,057.60	28,442.25
Profit on sale of securities	-	40.00	1,256.57
Profit or loss on exchange	2,554.67	193.32	(416.28)
Savings on previous year's outstanding obligations	301.77	7,511.80	1,541.77
Other income	4,177.11	2,756.36	4,231.53
	<u>36,865.16</u>	<u>47,746.42</u>	<u>44,224.47</u>

The following securities were realized in 1964:
US\$33,000 - 5 1/4 per cent Bonds, Kingdom of Norway,
Extension Loan, due 1 October 1973.

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

"Other income" for 1964 includes the following:

	<u>US dollars</u>
The last of ten instalments in respect of rent subsidy granted by Geneva authorities	1,388.89
Bank interest on current accounts	1,106.14
Space rentals	116.67
Sale of waste paper	48.73
Sale of equipment	256.99
Articles written by staff members	60.18
Refund of prior year's expenditure	<u>1,253.93</u>
	<u>4,231.53</u>

(ii) Expenditure

- (a) As shown in Statement 2, obligations incurred in 1964 totalled US\$1,473,063.70 of which US\$101,565.54 were unliquidated as at 31 December 1964. Excess expenditure over the original budget appropriation of US\$1,417,000 amounted to US\$56,063.70. The CONTRACTING PARTIES authorized additional expenditure in connexion with the establishment of the Trade Information and Trade Promotion Advisory Service, and also in connexion with

the revised scales of salaries and post adjustments, originally estimated at US\$68,959 (L/2140, L/2184 and L/2217). To meet the above reported excess expenditure the CONTRACTING PARTIES authorized the use of (a) the excess of the actual 1964 miscellaneous income over the budgetary income (US\$2,224.47), (b) the excess of additional contributions assessed during 1964 over the increase in the provision for contributions in arrears (US\$5,688.46) and (c) an amount of US\$48,150.77 from the Working Capital Fund (Decision of 22 March 1965 - L/2372 and SR.22/7).

- (b) In connexion with the running of the two small staff canteens subsidies in the form of free accommodation, electricity, heating, water supply, insurance premium, etc., were charged to the relevant budget items in 1964. In addition expenditure was incurred for the purchase of equipment (US\$389.09) and for overtime worked by the cafeteria staff during meetings and sessions (US\$189.40).

4. Statement of Assets and Liabilities as at 31 December 1964 (Statement 3)

(i) Assets

- (a) Contributions receivable from contracting parties amounted to US\$114,696.42 as at 31 December 1964. These arrears concern the following countries:

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>Total</u>
Argentina					9,834.08	9,834.08
Brazil					14,990.00	14,990.00
Burma					350.00	350.00
Central African Rep.					2,500.00	2,500.00
Chad					2,500.00	2,500.00
Congo (Brazzaville)					2,500.00	2,500.00
Dahomey					2,481.51	2,481.51
Dominican Republic	518.00	5,000.00	5,624.00	5,750.00	6,600.00	23,492.00
Haiti			4,015.03	2,500.00	2,500.00	9,015.03
Italy					13,043.80	13,043.80
Malawi					1,223.00	1,223.00
Niger					2,500.00	2,500.00
Peru					998.00	998.00
United Kingdom					2,069.00	2,069.00
Senegal				5,750.00	6,600.00	12,350.00
Sierre Leone					2,500.00	2,500.00
Uruguay				5,750.00	6,600.00	12,350.00
	<u>518.00</u>	<u>5,000.00</u>	<u>9,639.03</u>	<u>19,750.00</u>	<u>79,789.39</u>	<u>114,696.42</u>

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

No change since last year. China and Syria still owe US\$19,689.40 in respect of 1949, 1950 and 1951.

(c) Miscellaneous accounts receivable

Outstanding invoices in respect of sale of publications and services rendered amounted to US\$9,219.28 of which invoices for US\$7,287.62 were issued in 1964 and US\$1,931.66 in 1963 and earlier.

(ii) Liabilities

(a) Provision for contributions in arrears

US\$134,385.82 covers all contributions in arrears as at 31 December 1964.

(b) Loan from Geneva authorities

Of the interest-free loan of US\$220,243.11 (Swiss francs 951,450.25) granted by the Geneva authorities to finance the construction of the first Annex for the secretariat, the balance to be reimbursed amounted to US\$103,798.67 (Swiss francs 448,410.25) at 31 December 1964.

WORKING CAPITAL FUND

5. The principal of the Working Capital Fund amounted to US\$263,769 as at 31 December 1964. An amount of US\$165,882.79 was held in cash and short-term investments, and an amount of US\$93,848.21 in long-term investments.

(i) Assessment of advances

During 1964 the following advances were assessed on new contracting parties:

	<u>US dollars</u>
Iceland	1,301.00
Ivory Coast	1,269.00
Jamaica	1,269.00
Kenya	1,269.00
Malawi	1,306.00
Malta	1,312.00
Niger	1,269.00
Rhodesia	1,261.17
Togo	1,269.00
	<u>11,525.17</u>

The amount of US\$1,610.17 which stood at the credit of the former Federation of Rhodesia and Nyasaland was shared at the dissolution of the Federation, in proportion to estimated trade figures among Rhodesia, Malawi and Zambia.

At 31 December 1964 assessments on the following countries were still outstanding: Malawi US\$1,190.36, Malta US\$1,312, Niger US\$1,269, Rhodesia US\$386.17 and Senegal US\$500.

(ii) Withdrawals

In accordance with the Decisions of the CONTRACTING PARTIES it was necessary to draw on the Working Capital Fund to finance part of the extra budgetary expenditure incurred. The sum involved was US\$48,150.77 and the income budget for 1966 will include the amount necessary for the repayment of the withdrawal.

(Signed)

E. Wyndham White
Executive Secretary

(Signed)

H.Ph. Sobels
Chief of Administrative
and Finance Division

CERTIFICATE OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE GENERAL
AGREEMENT ON TARIFFS AND TRADE FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 1964

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

(Signed)

E.G. Compton
(Comptroller and Auditor General, Great Britain)
External Auditor

GENERAL AGREEMENT ON TARIFFS AND TRADE
Income and Expenditure Account for the Year ended 31 December 1964
(in US dollars)

<u>EXPENDITURE</u>		<u>INCOME</u>	<u>Statement 1</u>
1964 budget expenditure	1,473,063.70	Contributions assessed on contracting parties	1,320,000.00
Excess of income over expenditure	15,912.54	Net additional contributions assessed on countries subsequent to adoption of scale of contributions	21,601.00
		Transfer from Surplus Account in accordance with Resolution contained in document L/2064 and adopted by ballot	55,000.00
		Miscellaneous:	
		Sale of publications	9,168.63
		Income from investments	28,442.25
		Profit on sales of securities	1,256.57
		Savings on unliquidated obligations 1963	1,541.77
		Other income	<u>4,231.53</u>
			44,640.75
		Deduct: Loss on exchange	<u>416.28</u>
		Advance withdrawn from Working Capital Fund to finance supplementary Budget appropriations	48,150.77
	<u>1,488,976.24</u>		<u>1,488,976.24</u>

(Signed)

E. Wyndham White
Executive Secretary

(Signed)

H.Ph. Sobels
Chief of Administrative and Finance Division

GENERAL AGREEMENT ON TARIFFS AND TRADE
Statement of Budgetary Expenditure 1964
(in US dollars)

	Original Appropriations	Supplementary Appropriations	Authorized Transfers	Revised Appropriations	Expenditure Incurred	Obligations Unliquidated as at 31 December 1964	Total Expenditure	Balances
<u>Statement 2</u>								
<u>PART I - Meetings</u>								
Section 1. Sessions of the CONTRACTING PARTIES	24,700.00	--	645.14	25,345.14	24,282.66	1,062.48	25,345.14	--
2. Meetings of the Council and other meetings	32,250.00	--	(506.58)	31,743.42	26,941.30	4,802.12	31,743.42	--
3. Trade Negotiations Conference	<u>61,000.00</u>	--	<u>(20,181.98)</u>	<u>40,818.02</u>	<u>8,345.57</u>	<u>32,472.45</u>	<u>40,818.02</u>	--
Total Part I :	<u>117,950.00</u>	--	<u>(20,043.42)</u>	<u>97,906.58</u>	<u>59,569.53</u>	<u>38,337.05</u>	<u>97,906.58</u>	--
<u>PART II - Secretariat</u>								
Section 1. Salaries and wages and official travel	887,000.00	52,849.94	36,579.31	976,429.25	974,628.41	1,800.84	976,429.25	--
2. Common staff costs	211,600.00	1,045.48	--	212,645.48	206,740.18	5,905.30	212,645.48	--
3. Common services	123,700.00	--	(9,907.19)	113,792.81	74,486.99	39,305.82	113,792.81	--
4. Printing	40,000.00	--	(5,418.72)	34,581.28	20,435.91	14,145.37	34,581.28	--
5. Hospitality	1,500.00	--	(858.13)	641.87	584.18	57.69	641.87	--
6. Permanent equipment	<u>11,750.00</u>	<u>2,168.28</u>	--	<u>13,918.28</u>	<u>11,904.81</u>	<u>2,013.47</u>	<u>13,918.28</u>	--
Total Part II	<u>1,275,550.00</u>	<u>56,063.70</u>	<u>20,395.27</u>	<u>1,352,008.97</u>	<u>1,288,780.48</u>	<u>63,228.49</u>	<u>1,352,008.97</u>	--
<u>PART III - Building</u>								
Section 1. Annuity to Canton of Geneva	23,500.00	--	(351.85)	23,148.15	23,148.15	--	23,148.15	--
GRAND TOTAL	<u>1,417,000.00</u>	<u>56,063.70</u>	--	<u>1,473,063.70</u>	<u>1,371,498.16</u>	<u>101,565.54</u>	<u>1,473,063.70</u>	--

(Signed)

E. Wyndham White
Executive Secretary

(Signed)

H.Ph. Sobels
Chief of Administrative and Finance Division

Schedule A

GENERAL AGREEMENT ON TARIFFS AND TRADE

GENERAL FUND

Investments held on 31 December 1964 (at cost)
(in US dollars)

SF.	27,000.00	4%	Bonds, Union of South Africa 1954, due 1 March 1966/69	6,187.50
US\$	10,000.00	3 5/8%	Bonds, City of Montreal 1955, due 1 October 1973	9,974.29
Can\$	20,000.00	3 1/2%	Bonds, International Bank for Reconstruction and Development 1954, due 1 June 1969	<u>20,284.52</u>
				<u>36,446.31</u>

Market value as at 31 December 1964, in accordance
with Certificate received from Lloyds Bank (Europe)
Limited, Geneva 33,423.00

Schedule B

GENERAL AGREEMENT ON TARIFFS AND TRADE

WORKING CAPITAL FUND

Investments held on 31 December 1964 (at cost)
(in US dollars)

SF.	5,000.00	4%	Bonds, Congo Belge 1953, due 15 November 1967/78	1,157.41
SF.	13,000.00	4%	Bonds, Union of South Africa 1954, due 1 March 1966/69	2,979.17
SF.	30,000.00	4%	Bonds, Union of South Africa 1952, due 15 September 1964/70	6,975.09
US\$	25,000.00	4%	Bonds, City of Montreal 1954, due 1 October 1968/72	25,055.10
Can\$	40,000.00	3 1/2%	Bonds, International Bank for Reconstruction and Development 1954, due 1 June 1969	40,569.03
US\$	13,000.00	3 5/8%	Bonds, City of Montreal 1955, due 1 October 1973	12,966.57
US\$	3,000.00	3 1/2%	Bonds, Commonwealth of Australia 1946 due 1 December 1966	2,972.25
US\$	2,000.00	3%	Bonds, Republic of Peru 1953 - Extension Loan, due 1 January 1997	1,173.59
US\$	100,000.00	4%	Deposit Account with the International Credit Bank, Geneva	<u>100,000.00</u>
				<u>193,848.21</u>
			Market value as at 31 December 1964, in accordance with Certificate received from Lloyds Bank (Europe) Limited, Geneva ...	<u>186,821.00</u>

GENERAL AGREEMENT ON TARIFFS AND TRADE
Statement of Contributions as at 31 December 1964
(in US dollars)

	<u>1948/1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>Schedule C</u> <u>Total</u>
Amounts assessed	<u>1,373,825.75</u>	<u>342,000.00</u>	<u>354,000.00</u>	<u>383,500.00</u>	<u>383,500.00</u>	<u>430,600.00</u>	<u>563,308.00</u>	<u>675,111.00</u>	<u>1,012,220.00</u>	<u>1,124,750.00</u>	<u>1,187,040.00</u>	<u>1,341,601.60</u>	<u>9,171,455.75</u>
<u>Collections:</u>													
1949	70,830.65												70,830.65
1950	284,394.65												284,394.65
1951	322,051.65												322,051.65
1952	336,180.92												336,180.92
1953	303,367.43	18,000.00											321,367.43
1954	30,760.62	312,649.10	18,000.00										361,409.72
1955		8,350.90	318,000.00	6,500.00									332,850.90
1956	6,550.43	203.51	15,000.00	362,888.00	13,559.00								398,200.94
1957		2,796.49	3,000.00	14,112.00	364,960.43								384,868.92
1958					4,970.00	421,840.00							426,810.00
1959						8,750.00	546,281.50						555,031.50
1960					10.57	10.00	16,654.60	670,162.81	60.00				686,897.98
1961								1,138.59	973,390.00	704.00			975,232.59
1962							371.90	2,391.60	14,148.97	1,070,490.00	804.84		1,088,207.31
1963								900.00	19,621.03	31,311.06	1,115,214.22	804.84	1,167,851.15
1964										12,605.91	51,270.94	1,261,006.77	1,324,883.62
	<u>1,354,136.35</u>	<u>342,000.00</u>	<u>354,000.00</u>	<u>383,500.00</u>	<u>383,500.00</u>	<u>430,600.00</u>	<u>563,308.00</u>	<u>674,593.00</u>	<u>1,007,220.00</u>	<u>1,115,110.97</u>	<u>1,167,290.00</u>	<u>1,261,811.61</u>	<u>9,037,069.93</u>
Percentage	98.57%	100%	100%	100%	100%	100%	100%	99.92%	99.51%	99.14%	98.34%	94.05%	98.53%
Outstanding on 31 December 1964	<u>19,689.40</u>							<u>518.00</u>	<u>5,000.00</u>	<u>9,639.03</u>	<u>19,750.00</u>	<u>79,789.39</u>	<u>134,385.82</u>
Percentage	1.43%							0.08%	0.49%	0.86%	1.66%	5.95%	1.47%

REPORT OF THE EXTERNAL AUDITOR ON THE ACCOUNTS
OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE
FOR THE YEAR ENDED 31 DECEMBER 1964

GENERAL

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

CUTTUN

2. The original appropriations for 1964 authorized by the CONTRACTING PARTIES were US\$1,417,000 and additional expenditures, estimated at US\$68,959, were authorized during the course of the year. Total expenditure obligated in 1964, as shown in Statement 2, amounted to US\$1,473,063.70, giving a net excess of expenditure over original appropriations of US\$56,063.70. Transfers between Sections of Parts I, II and III were authorized by the CONTRACTING PARTIES at their twenty-second session in March 1965 in order, as far as possible, to meet excess expenditures (which were mainly on salaries and wages) from savings on other Sections; and authority was then also given for the net excess of US\$56,063.70 to be met by supplementary appropriations. These were financed (a) by utilizing amounts totalling US\$7,912.93 which were available from additional contributions assessed during 1964 and from a surplus of 1964 miscellaneous income over the sum allowed in the budget; and (b) by withdrawing the balance of US\$48,150.77 from the Working Capital Fund.

3. The surplus of US\$92,058.61 as at 1 January 1964 was appropriated by the CONTRACTING PARTIES for expenditure in respect of the construction of a second Annex; of this amount US\$77,433.63 was spent during 1964, leaving US\$14,624.93 available for expenditure during 1965, as shown in Statement 3. The excess of income over expenditure for 1964, US\$15,912.54, shown in Statement 1, was used to make additional provision for contributions in arrears at 31 December 1964. There was consequently no unappropriated surplus at 31 December 1964.

CONTRIBUTIONS OUTSTANDING

(Statement 3 and Schedule C)

4. Contributions outstanding (including those from countries having withdrawn from the Agreement) increased from US\$118,473.23 at 31 December 1963 to US\$134,355.82 at 31 December 1964. The amount of the 1964 contributions

remaining unpaid at the end of the year was US\$79,789.39 representing 5.95 per cent of the assessed contributions: the corresponding figure for the previous year was US\$71,020.94 (5.98 per cent). Of the 1963 arrears, the amount paid in 1964 was US\$51,270.94 leaving US\$19,750 still outstanding at the end of 1964. Details of the contributions in arrear are given in paragraph 4 of the Executive Secretary's Financial Report.

SUPPLIES, EQUIPMENT AND STOCK RECORDS

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

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

(Signed)

E.G. Compton
(Comptroller and Auditor General, Great Britain)
External Auditor

27 May 1965