1. The Budget Committee reconfirms its view that GATT should remain in
the Common System but is of the opinion that the way in which the Common
System deals with the problem of fluctuating exchange rates has created the
difficulties the GATT Professional staff is experiencing in respect of the
erosion of take-home pay.

2. Interim measures were put into effect by the ICSC from 1 April to
31 August 1987 with the adoption of a revised Remuneration Correction
Factor. It was noted that the ICSC will review the problem in July with a
view to finding a durable solution. The view was expressed that in the
light of this, the Committee was not in a position to recommend any
additional interim measures within the GATT but would keep the matter under
review. There was another view in the Committee, that the GATT should take
measures supplementary to the interim measures in force.

3. The Committee was aware that work was being done by the ICSC and
considered that it should, as a matter of urgency take appropriate action
at its 26th Session in July. In this context the Committee took note that
the matter was on the ACBAQ agenda for its session in May and that the
Chairman of the ICSC intended to establish a definite schedule of surveys
at headquarters duty stations on the recommendation of ACBAQ. In the light
of the need to address the shortcomings in the application of the Post
Adjustment System in respect of take home pay, the Committee urged that a
place-to-place survey be carried out in the course of 1987 as this would
establish the purchasing power parity between staff in New York and
Geneva. This would establish an appropriate basis for a durable solution.

4. Taking these considerations into account the Committee will keep the
Council informed of developments which arise from meetings of the various
institutions of the Common System, and keep under review the question of
salaries and pensions of GATT Professional staff, taking into account the
Report of the Informal Advisory Group (Spec(87)10) and the effects of the
decisions of the Common System institutions.