STAFF NEWS

February 1969

THE CHAIRMAN OF THE FUND'S BOARD OF GOVERNORS, Mr. Adalbert Krieger Vasena, of Argentina, was in Washington last week, primarily to head the Argentine delegation during a review of his country's economy conducted by the Inter-American Committee of the Alliance for Progress. But his presence here was also expected to bring a number of private contacts with officials of the Fund and Bank, some of these related to plans for the Governors' Meeting over which Mr. Krieger Vasena will preside in September. A private office adjacent to Mr. Schweitzer's was made available to the distinguished visitor, and the Managing Director gave a lunch in his honor on Tuesday, February 18.

Earlier in the month the Argentine cabinet official received missions of the Fund and Bank in Buenos Aires. At that time he announced that Argentina would not seek a new stand-by arrangement with the Fund when the existing arrangement expires in April. He referred in that connection to the country's improved economic position. It has not made a drawing since 1966 and at present maintains a creditor position in the Fund. International Financial Statistics shows a rise in Argentine reserves from $153 million at the end of 1964 to more than $760 million in the third quarter of last year.

Mr. Krieger Vasena's associations with the Fund go back to 1956, when he was one of the financial officials who helped to arrange for his country's membership in the Fund and Bank. Subsequently he became Director of the Argentine Central Bank, and he was Minister of Finance in 1958 when Argentina's first stand-by arrangement was announced. He has held the position of Minister of Economics since January 1967. Argentina's adherence to Article VIII of the Fund Agreement was published on May 14 last year.

The picture of Mr. Krieger Vasena which appears on this page was taken during his attendance as Governor for Argentina during last year's Fund and Bank Annual Meeting. The sketch by the famous Argentine cartoonist, Phlax, which first appeared in Primera Plana, of Buenos Aires, shows Mr. Krieger Vasena on his return from his travel to Washington last fall, when he was chosen as Chairman of the Board of Governors, and identified by the cartoonist with the initials IMF. There will be another chairman for the Bank.

THE MANAGING DIRECTOR returned on Monday, February 17, after attending the sessions Feb. 13-14 in Paris of the Council of Ministers of the 22-nation Organization for Economic Cooperation and Development (OECD). It was the first of these meetings to be participated in by the Nixon Administration, and statements made by U. S. and other member government officials received considerable press attention. Mr. Schweitzer was accompanied by Mr. J. J. Polak, Director of the Research Dept.

THE 25TH ANNIVERSARY OF BRETTON WOODS, coming up this July, may also serve to mark the beginning of a new era in the Fund's affairs. Earlier this spring or summer the proposed Amendment to the Articles of Agreement is expected to be adopted, establishing special drawing rights in the Fund as a new and important feature of the international monetary system. The stage would thus be set for activation and use of the new facility in the Fund's second quarter-century of operation.

Meanwhile, exchange transactions as already provided for in the Bretton Woods Agreement have reached a total of $17.3 billion; outstanding drawings have risen above $5 billion, and the Fund maintains a long list of stand-by arrangements in support of programs of fiscal and monetary reform. Of the Fund's 111 countries, 65 have used its resources and some on more than one occasion. The comparatively new, liberalized policy of compensatory financing authorizes certain transactions which must be separately recorded in the Fund's accounts. The number of currencies sold by the Fund has increased to 22. Total quotas have been expanded to $21.2 billion and some are still rising according to an installment plan for paying larger subscriptions. The Fund itself has become a borrower under arrangements first established in 1962.

Add to all of this the special attention and book-keeping required for the Fund's investments and administrative expenditures, and one begins to have a picture of the many exacting duties now required of the Treasurer's Department.

It has a new Director—Walter O. Habermeier, of Germany—who was appointed head of the Department on February 1. He was educated at the University of Tuebingen and the University of Munich, from which he received a Ph. D. in Economics. A former Alternate Director of the Fund, Mr. Habermeier has also served as a member of the German Permanent Delegation to OECD and as an advisor on international monetary questions with the German Federal Bank.

The Treasurer's Department also includes Rudolph Kroc, Deputy Director, who is on assignment to the Congo; Fred C. Dirks, Senior Advisor, Richard H. Miller, advisor and 72 other people who make out our paychecks and transfer billions of dollars in many currencies as they handle the Fund's external financial operations. In other words, they deal with both our personal liquidity and the world's.

Largest of the Department's four divisions is the Administrative Expenditures Division, with 27 staff members under Mr. Walter T. Powers. It manages the internal items—salaries, expense accounts, pensions, health insurance, the finances of the Bretton Woods Center.

The Operations Division under Mr. Carl Fink conducts the financial transactions with member countries, plans the use of currencies for drawings, and organizes transfers and repurchases. The Financial Relations Division, headed by Mr. David Williams, collects information on members' reserves, acts as a watchdog for repurchase obligations, makes quota collections, keeps track of gold productions, prices and absorption, and the Eurodollar and exchange markets. The Accounts and Financial Reports Division headed by Mr. Charles E. Jones keeps records of all the Fund's external and internal financial operations. His division and that of Mr. Powers are major customers of the computer program.

The future promises intensified activity for the Treasurer's Department. It has long had a role in the creation of international liquidity through members' foreign exchange transactions with the Fund. Once SDRs are created, the Department will transfer them and will be involved in their conversion into currency, in their equi-

New Members of Fund Staff

Mr. Seiichi Akiyamn
Japan - MD

Mr. James H. Chan-Lee
Canada - RES

Mr. Pierre-Frantz Chapou
France - SEC

Miss Janet Horrell
U.K. - AFR

Mrs. Marlene L. Kebreau
Haiti - SEC

Mrs. Eudoxia Koulouris
Greece - SEC

Miss Marie Henriette Lambert
Belgium- EUR

Mr. Jean Lebrun
France - FAD

Miss Alicia Lorenzo
Uruguay - WHD

Mr. Warren N. Minami
U.S.A. EDP

Mr. Festus L. Osunsade
Nigeria - ETRD

Mr. Donald K. Palmer
U.S.A. - ETRD

Miss Maria M. Pirret
U.K. - ADM

Mr. Ashok K. Malhotra
India - ADM

Miss Ulrike Wilsing
Germany - SEC

table distribution in members' reserves, in reconstitution, and in the interaction between the Special and General Accounts. Although SDRs will be computerized, they will clearly present the Department with increased responsibilities.

SDR ACCEPTANCES. Thirty-five countries, holding 51.2 per cent of the vote had ratified the SDR Amendment by the middle of February. Yugoslavia is the latest addition.

RUDOLPH RHOMBERG RETURNED to the Fund's Research Department after a semester at Yale University as Irving Fisher Visiting Research Professor. As his title indicates, he had no direct teaching assignment though he gave a number of seminars on international monetary topics at Yale itself and at Columbia University and Connecticut University. His research work was mainly concerned with the need for reserves, and the determination of amounts of reserve creation under varying circumstances. Mr. Rhomberg, who was on leave of absence from the Fund during his tenure, stayed as a guest fellow at Saybrook College where Professors Triffin and Wallich also had their offices. His regular contacts with them and with their colleagues, Professors Tobin, Cooper, Fellner and Scitovsky, were "most rewarding," he says. He believes such an experience produces mutual benefits since it also exposes the academic world to the experience and outlook of an international official.

THE BEST ATHLETE in the Fund's junior set may be Audrey King, 14-year old daughter of Henry King, of Administration. Audrey placed third in the junior ladies division of the U. S. National Figure Skating championships, which were held in Seattle Washington, Jan. 29-Feb. 3. Earlier she had qualified for competition in the national championships by placing third in the Eastern regional championships. The Associated Press report from Seattle said the Bethesda girl "received the biggest ovation of the night after her dazzling free-skating performance" in the national event. "She jumped from eighth all the way to third in the over-all point total with her sensational program," the A. P. story said.

MR. PAUL FABER, former Executive Director of the Fund, has joined the United Nations as Director of the Division for Public Finance and International Financial Institutions.

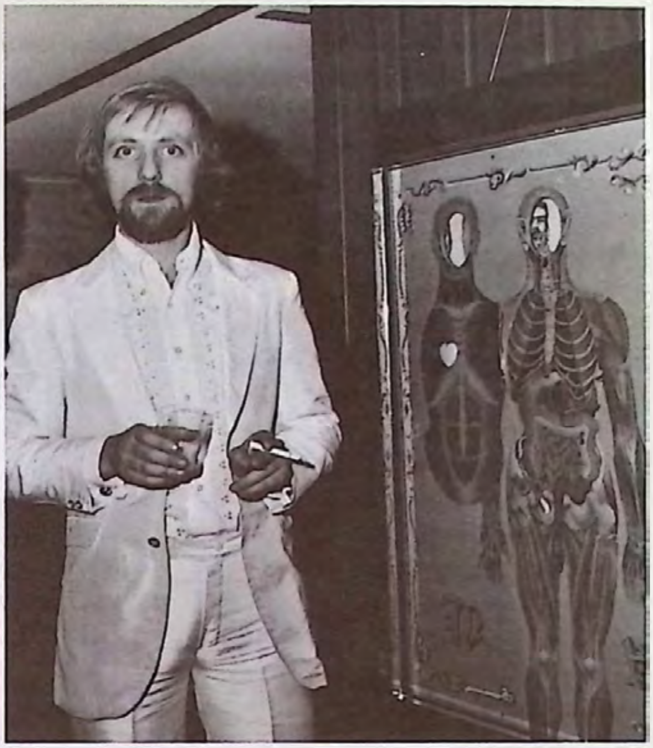
EDUCATION ALLOWANCES. A large number of staff members already have expressed interest in the advantages the recently amended Fund policy on educational allowances can offer for their children. There's an official Administration text with the following basic ideas.

Under the former policy Fund professional staffers could have their children educated in the home country with the Fund paying the transportation and three quarters of the tuition up to a maximum of $750. The same tuition grant was available for children educated in a U. S. based school using the home language, provided it was not English.

Basically the advantages remain the same but they are extended considerably. In the first place they now also cover General Staff with more than five years service. Secondly, the language requirement is dropped, because, in practice, this covered only the French and German schools, in the Washington area. Now children can normally also get the allowance for attending English-language private schools when it is established that they prepare the child better for the educational system of the home country. For instance, a Dutch boy would have difficulty entering a Dutch University with an average U. S. high school diploma, because of stiffer foreign language and other local requirements. He would need an additional two years of junior college here. A "baccalaureat" of the French International school or a diploma from some of the English language private schools would qualify him directly for a Dutch University and, therefore, also for the allowance. English-speaking non-U. S. nationals might have to prove that a private education more closely resembles their home country's system than the U. S. public school system. At the same time, tutoring benefits have been extended to include not only language instruction but also subjects needed to cover adjustments in either direction: toward the U. S. or the home country system.

THE CAMERA CLUB has scheduled a February 25 showing of a film Miss Nadine Korobetsky made in Latin America.

DUTCH ART SHOW. From the land of Rembrandt, Vermeer, van Gogh and Mondriaan, the Fund's Art Society presented the newest crop of Dutch painters in an ambitious collective exhibition which followed several individual shows. There's quite a contrast between the new crop and the old. Art Society President J. A. G. Keesing, himself a native of the Netherlands, inaugurated the show on January 29 and expressed his pride in introducing the works of 21 compatriots, all belonging to the generation of the fifties and the sixties. He thanked Philadelphia art collector Benjamin D. Bernstein who had assembled the paintings in Holland and brought them over to the United States where they will also be exhibited elsewhere. Dutch Embassy Counselor J. Schaap, representing the Ambassador, spoke briefly on the evolution of Dutch art which has become more internationalist in character. The show was widely covered in the Dutch press and featured on Dutch television. Mr. Woody van Amen, a Dutch painter who attended the opening, is shown here in front of his handiwork.



SABBATICAL AND STUDY ASSISTANCE PROGRAM STARTED. Sabbaticals and study assistance have become a regular feature of Fund employment through the wide ranging group of programs which the Executive Board recently approved, retroactive to September 1968. Two staff members, Fernando Escobar and Jaime Darenblum, both of the Western Hemisphere Department, are already on leave doing full-time graduate work with the help of one of the programs. It provides a salary advance and other advantages, including reimbursement of the major part of tuition costs under certain conditions. This type of reimbursement—three quarters of tuition—will also be available for part-time study, graduate or undergraduate, in fields of interest to the Fund. Finally, staff members of long standing who plan to continue their service in the Fund may be granted one-year, Fund-paid sabbaticals for projects of independent research, teaching or residence in universities, public institutions or foundations of member countries.

SKI CLUB. After highly successful early trips to Seven Springs, Pa. and Bryce Mountain, Va., bad weather took over. Highlight of the season's activity was the February 20-23 trip to Whiteface Mountain N.Y., site of the 1932 Winter Olympics. Earlier, some Ski Club members had gone up North to join the UN Ski Club on an expedition. The club's skaters have used the Canal and BW Center but are now back at their regular skating rink. Shown at right are Joan Cass, Mahbanoo Sadoughi, Maria Beer, Roy Huffman.

PERSONALS. During the month of January, Mr. Shrikrishna A. Pandit marked his twentieth anniversary with the Fund. There was one January marriage to report, that of Miss Maria Teresita Castro who, on January 16, married Mr. Luis Lik Fei Ling. A son, Stephane, was born to Mr. and Mrs. Earl J. Frambes on January 17; a daughter, Karen Patricia, was born to Mr. and Mrs. Terrent B. Small on January 25; a daughter, Rebecca Amy, was born December 14, 1968 and adopted by Mr. and Mrs. John W. Crow.

A RESETTLEMENT ALLOWANCE has come into effect for all staff members (except those recruited from the Washington area) amounting to the standard per diem for the employee and half of that for approved dependents above the age of four. Younger children qualify for one quarter. The allowance is paid for a period of 24 days. It is reduced if the staff member has served less than two years, and any installation grants from a new employer will be deducted.

UN INFORMATION OFFICERS and those of the specialized agencies held their 1969 annual meeting at the World Bank during the week of February 3-7. Receptions were given for the 40 agency representatives by Mr. McNamara, IBRD President, on February 3 and by Mr. Schweitzer, who entertained in the Fund's second floor gallery on February 6. The Information Officers confer in North America and in Europe in alternate years on common problems of publicity and public relations. A report of their discussions is prepared for the annual meetings of the Administrative Committee for Coordination (ACC) which each year brings together the UN Secretary General and heads of other agencies affiliated with the UN. The recent session of CCPI was attended by Jay Reid, Chief Information Officer of the Fund, and by Ruben Azocar and Jan-Maarten Zegers of the Fund's Information Office. Participants heard Agha Abdul Hamid of Pakistan, Assistant Secretary General for the UN Office of Public Information, describe plans for publicizing a second "Development Decade" through a newly established "Centre for Economic and Social Information" at UN Headquarters.

THE IMF INSTITUTE. Twenty-two participants, mostly from African member countries terminated a four-and-a-half month French language course in financial analysis and policy on February 14. Another group, with 29 participants, will be starting on the same subject, but this time in English, early next month until the middle of July. A Spanish language course on financial analysis and policy began in December and will continue until April 18.

IMPORTING AN AUTOMOBILE? The U.S. Bureau of Customs, Washington, D.C. 20226 has a leaflet to offer which is full of information of importance to American tourists, Government personnel, and non-residents bringing a foreign-made car into the U.S. In 1969 the duty on automobiles is 5 per cent. Your customs exemption may be applied against the value of a car bought overseas. The value of the car is established by Customs examination and there are no established allowances for depreciation. The new Customs leaflet is entitled: "Automobiles Imported into the United States." Interested staff should also consult the Fund's Transportation Section.

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RECREATION CENTER horseback-riding classes are now being formed for weekend instruction at Chestnut Hill Stable for recreation club riders. For information call Mr. Eloquin, Ext. 4141.