STAFF **NEWS**

May 1969

A VISIT TO HOT SPRINGS. The Managing Director's stay at the Homestead, which began on Thursday evening, May 8, looked a few weeks in advance like a pleasant intermission from his Washington duties. The Business Council—a group of leading U.S. executives—had invited him to address a Friday morning session at the famous resort hotel down the valley in Virginia. Afterward, he and Mrs. Schweitzer could spend a little time in enjoyment of the area before beginning a leisurely drive back up the flowered route to Washington.

But as the time drew close, speculation on a revaluation of the Deutsche mark prompted a special meeting of the cabinet in Bonn. It was to be held on the same Friday. U.S. Treasury Secretary Kennedy, who had been scheduled to appear in Hot Springs, canceled his plans for the trip. Secretary of Commerce Stans, another participant, decided to keep the engagement. Mr. Schweitzer did too, but otherwise his plans were modified. He would return as quickly as possible.

Immediately after their speaking chores, Mr. Schweitzer and Mr. Stans encountered a group of newspaper reporters. An indication of concern in the wake of the reports from abroad came in one of the first questions: did Mr. Schweitzer expect some sort of catastrophe. He said not. His replies to inquiries and a summary of his prior remarks to the businessmen (on the U.S. payments situation) were frontpage news in many newspapers the following day. Mr. Stans and Mr. Schweitzer were flown immediately to Washington, arriving here about noon. Mr. Schweitzer was still in a Fund dining room when news bulletins flashed the word that the Government in Bonn had decided to maintain the existing parity for the DM—for "eternity," as a spokesman put it.

From a personal stand-point at least, it was a weekend that wasn't for Mr. and Mrs. Schweitzer, the latter never making the trip to Hot Springs at all.

And it soon appeared that the Managing Director's precipitate return might have been indicated even had there been no decisions in the making in Bonn. For Monday brought newspaper reports of a culmination over the weekend of discussions of a new stand-by arrangement between the Fund and the United Kingdom. There was a flare-up of interest in Parliament, and a statement to the House by the Chancellor of the Exchequer.

THE ADDITION OF TWO INTERNATIONAL WIRE SERVICES, Agence France Presse and Reuter, helped the Fund to follow all this and other news as rapidly as it unfolded. Both services begin functioning here early in the morning, bringing news of the financial markets in Europe and developments in other time zones early enough for use in the Morning Press Digest. The new teleprinters were installed in the Fund's Information Office, alongside the United Press International wire, during the last week of April.

Tapes from the three machines are available for daily inspection in room 1252. The machines themselves clack away in an inside office from which admission is barred to minimize crowding. Miss Gardiner of the I.O. notifies offices of Executive Directors and staff departments of the more important news, and interested offices are also encouraged to monitor the news for themselves at times of unusual developments affecting their work. The particular Reuter service to which the Fund subscribes is a specialized one emphasizing news of international financial significance. The French News Agency adds to the Fund's world-wide political and economic (and sports) intelligence.

COPENHAGEN MEETING TO BEGIN SEPTEMBER 21. The date was agreed during a mid-April visit to Denmark by Mr. Hebbard, Secretary of the Fund, and Mr. Mendels, Secretary of the Bank group. Mr. Brantley, Assistant Secretary for Annual Meetings, also made the trip. The arrangements actually provide facilities, if required, for delegation, committee and other meetings from September 14 until September 30, although the Governors' sessions are expected to conclude on September 25.

The Bella Center, a large exposition area, will provide for the first time in many years a grouping under one roof of all the activities involved in the Annual Meetings away from Headquarters. Situated three miles to the northwest of the center of Copenhagen, it is large enough to accommodate plenary and regional meetings and includes adequate office space. The conference press room, communications, transportation and check-cashing facilities will also be located there. Approximately 20 hotels will provide sleeping quarters and special bus services will be available for transportation.

The Danish authorities have established a Supervisory Committee for the 1970 Annual Meeting headed by Mr. Torben Friis, Manager, Danmarks National Bank and a former Executive Director of the Fund.

BRETTON WOODS WILL BE COMMEMORATED by a conference June 2 and 3 sponsored by Queen's University at Kingston, Ontario. Mr. Schweitzer has been invited to address the participants at a banquet on the first evening. They will include Sir Roy Harrod, of Oxford University, and Richard N. Gardner, Columbia Law School, who will discuss the Bretton Woods Conference. Edward Bernstein, former Director of Research of the Fund, and Raymond Mikesell, University of Oregon, will talk on "The Past Performance of the Fund and Bank." "The Future of the International Financial System" will be in the hands of Robert Mundell, of the University of Chicago, and Raul Prebisch, former Secretary-General of UNCTAD.

MR. SOUTHARD'S TRIP TO AFRICA ended with his return to Washington on the same Thursday that saw Mr. Schweitzer set off for Hot Springs. The Deputy Managing Director had visited the Democratic Republic of the Congo, Burundi, Uganda, Rwanda, Tanzania and the Malagasy Republic in company with Mrs. Southard and Mr. Toure, Director of the African Department. Mr. Williams and Mr. Yameogo, of the Executive Board, accompanied Mr. Southard in countries which they represent in the Fund. The picture below shows (l. to r.) Mr. Williams, Mr. Toure, Mr. Mubiru (Governor of the Bank of Uganda), Mr. Southard, and two others, during a visit to a new building under construction to house the Bank of Uganda at Kampala.

TUN THIN TO HEAD INFLATION STUDY. Rapid inflation in developing countries is one of the major monetary worries of the Fund and Mr. Tun Thin, Deputy Director of the Asian Department has been temporarily relieved of his departmental assignments to take an in-depth look at the problem. Since May 1, he has headed a new research project that is to result in a major study published by the Fund under his responsibility, the first such venture in the Fund's history. Mr. Tun Thin, who will move into new offices on the thirteenth floor and get the assistance of professional staff members and temporary research help, hopes to have completed the project by the end of next year.

It should produce a study of the process of rapid inflation, analyzing the experience in several developing countries, including such aspects as the causes, the factors sustaining it, structural rigidities, effects of inflation in various stages, and suggestions for bringing such inflation under control. A typical case can be roughly defined as one where the rate of price increase exceeds 15 percent annually over a period of at least two years. For the past few years, Mr. Tun Thin has been much involved with such problems in Indonesia, supervising Fund assistance to that country since it started a stabilization program in late 1966. He made dozens of visits to Indonesia and will make further on-the-spot observations on trips to various Latin American and some Asian countries, talking to the local authorities and collecting data for the project. He is at the moment visiting Korea for this purpose.

THE ACC (ADMINISTRATIVE COMMITTEE ON COORDINATION), which is made up of the heads of all the international organizations, met in Rome at the end of April, under the Chairmanship of U Thant, Secretary-General of the UN. At the last minute the Managing Director could not attend and the Fund was represented by Gordon Williams, Special Representative to the United Nations.

Members of the group discussed common approaches to various current inter-agency problems such as preparatory work for the Second Development Decade, statistical coordination, the transfer of science and technology to developing countries, population planning, etc. A great deal of attention was given to reorganizing the functions and structure of both ACC itself and its subsidiary bodies in order to meet new program initiatives being taken by regional and other UN bodies and in the UN Secretariat. Some of these subsidiary bodies and the Fund staff members who are concerned with them are: Sub-Committee on Statistics (Earl Hicks), Consultative Committee on Public Information (Jay Reid), Inter-Agency Meeting on Languages and Documentation Services (Katherine Magurn, Marie Stark), Sub-Committee on Publications (Martin Loftus), Consultative Committee on Administrative Questions (Kenneth Clark), Sub-Committee on the Development Decade (Subimal Mookerjee, Michael Dakolias), and the Preparatory Committee for the ACC (Gordon Williams).

Many of the subjects discussed did not involve the Fund directly, but the decisions taken had aspects of interst for some offices of the IMF. These included decisions in such matters as international training and education, organization for meeting natural disasters, the use of volunteers in technical assistance work and the evaluation of such work, public information, language and documentation services, and computers.

Another meeting of the ACC is to be held in Geneva in early July, at which time approval is to be given to a joint inter-agency statement to ECOSOC on planning for the Second Development Decade. A joint session with the UN's inter-governmental Committee on Programme and Coordination will follow.

THE TWENTY-YEAR HISTORY OF THE FUND (1945-65), VOL. I, which has been in preparation under Mr. Keith Horsefield, former Chief Editor of the Fund, made its first appearance this month in a limited distribution to the Board of Governors and Executive Board, and within the staff. It contains references to the Fund's documents and files which are to be omitted in a published version expected to be available later this year, and is for use only within the Fund. Mr. Horsefield's work begins with a recollection of the financial experience of the period between World Wars I and II. His introduction sees the creation of the Fund as a "remarkable achievement", resulting from a "supreme act of faith" in the decision to surrender to an untried agency "one of the most cherished attributes of national soverignty, the right to change the rate of exchange." It was not surprising, he says, that this should have been hedged with safeguards, but the fact that the decision was made at all, and accompanied by the contribution of a part of members' reserves, "can be explained only by the coincidence of the hour and the men."

In a brief note concluding his 540-page chronicle, Mr. Horsefield states that the Fund has been able to broaden its scope without departing from the design of its founders. The new (SDR) facilities represent only the latest in a series of developments "which have led from the rigidity of a legal code to the flexibility of a living organism."

QUANTITATIVE ECONOMIC ANALYSIS COURSE. Twenty-five Fund senior staff members representing ten departments attended a course in quantitative economic analysis during the period May 12-23, 1969. It aimed at providing a fuller appreciation of the application of quantitative analysis techniques to Fund programs. Professor Lawrence R. Klein of the University of Pennsylvania spoke on econometric models of industrialized and developing countries. Other visiting lecturers were Professor Carl F. Christ of the Johns Hopkins University who lectured on achievements and challenges of econometrics and on simultaneous equation models, and Professor Daniel B. Suits of the University of Michigan who discussed statistical and regression methods. Models used in Fund applications were presented by Mr. Omar Albertelli (Western Hemisphere), Mr. Andrew Gantt (Fiscal Affairs), Mr. Rudolf Rhomberg (Research), and Mr. Grant Taplin (Research.

Also in the Fund's in-service education program in May was a course in the Fund's Data Processing and Multiple Regression (DAM) program organized by Dr. Marvin Wofsey and taught by Mr. Leonard Harris (Research). The DAM program was devised by Mr. Rhomberg. The Fund's expansion in electronic data processing applications was reflected in an interdepartmental econometric workshop organized this month by Mr. Rhomberg and Mr. Albertelli, in several technical training programs for computer programmers and systems analysts, and in the computer-oreinted seminars for department heads last December.

ROBERT HARRIS IS EDP CHIEF. The new Electronic Data Processing Division in Admin. has Mr. Robert Harris as Chief. Mr. Harris joined the Fund in May and comes from the US Atomic Energy Commission where he was chief of the systems branch.

New Members of Fund Staff

Mrs. Isabel E. Acosta
U.S.A. - BUR

Mr. Horacio Bobadilla
Guatemala - E.D.

Mrs. Jean Yates Clark
U.S.A. - ADM

Mrs. Remedios A. Coquia
Philippines - TRE

Miss Noela L. Dwyer
Australia - ASD

Mrs. Virginia M. Goslee
U.S.A. AFR

Mr. Robert Harris
U.S.A. -ADM

Miss Anne Kenny
U.S.A - RES

Miss Rita V. Montoya
U.S.A. - TRE

Mrs. Carolyn
Parvaneh-Tehrani
U.S.A. - INST

Mrs. Mie Pyo
Japan - Library

Mr Kunio Saito
Japan - ASD

Mr. Antonio Salvador
Spain - SEC

Miss Elena M. Sauz
Philippines - ADM

Mrs. Juana M. Wills
Peru - BUR

BANK BUILDING NEARING COMPLETION. This summer Bank and Fund staffers may begin to mingle in the large court formed by the buildings, old and new, of both institutions. The Bank is still waiting for some of the planting that has to be done and for a sculpture by the Spanish artist Chillite (no first name). At the moment floors 4, 5, 9, 10, and 11 of the new Bank building are already occupied and Bank officials expect they will have moved back all their staff from their present Fund offices into IBRD ground by the end of June. Interior decoration is proceeding but hampered by some minor strikes. However, the new Bank cafeteria should also be ready for use this summer, probably around August 1. Around that date the building will be largely completed. No official inauguration is scheduled.

FUND REFORM AND SDR'S, as included in the pending Amendment to the Articles of Agreement, are described in two new booklets by Mr. Gold, the Fund's General Counsel, which have taken their places respectively as numbers 12 and 13 in the numbered series of Fund pamphlets. The series was instituted some years ago by Mr. Horsefield, whose Introduction to the Fund, currently being revised by him, is No. 1.

PERSONALS. During May Mrs. Clara Wu Wilkenloh marked her twentieth anniversary with the Fund. There are four spring marriages to report. Miss Therese H. Sriwardene married Mr. Cecil Perera, on March 31; Mr. Hans Haumer married Miss Ruth Henriques Lubow, on April 3; Miss Joanne C. Cass married Mr. William G. Bannan, on April 6; and Miss Jeanne M. Wyman married Mr. Nagi G. Elibs, on April 30. Three boys and two girls make up this issue's baby crop. A son, Raseek Madhuker, was born to Mr. and Mrs. Hephzi Ohal, on January 15; a son, Mark Peter, was born to Mr. and Mrs. Bartolome Alban Serrano, on April 3; a son, Robert George, was born to Mr. and Mrs. George Katchadourian, on April 19; a daughter, Phillipa, was born to Mr. and Mrs. Gregory Taylor, on April 22; and a daughter, Tracy Jane, was born to Mr. and Mrs. Christopher A. Yandle, on April 23.

ART SOCIETY. The Art Society's Seventh Annual Prize Drawing will be held on Tuesday, June 17, at 8 p.m. in the second floor Staff Lounge. The maximum value of the first and second prizes will be determined by the Art Society on the basis of the size of the membership, so the more Fund staffers that send in their $5 annual fee to Mr. Chatterjee, room 1245, the bigger the top prizes can be. First and second prize winners will have to be present or at least duly represented. The other prizes will only go to members actually attending the drawing. A large selection of art works from Washington galleries will be exhibited in the Lounge from early June onwards. They have been specially selected for the Prize Drawing.

BRETTON WOODS RECREATION CENTER. The BWRC swimming pool will be open from Memorial Day, May 30, and two weeks later, an informal and friendly coffee house for teenagers will be held around the pool on Friday, June 13, from 7 p.m. till 11 p.m. There will be a band and all the trimmings. Admission will be fixed at around one dollar. Details will be announced on the bulletin boards on the second floor of the Fund and at the Center. Please let your teenagers know.

The BWRC summer camp is taking shape. Some 250 children will participate during the five two-week periods starting June 23, about fifty at a time.

A fashion show of sportswear, swimming suits and bikinis modeled by girls from the Fund and the Bank will be organized by the Swimming Committee at the BWRC swimming pool on Sunday, June 8 between 5 and 6 p.m. The apparel is provided by the Village Gate. Miss Evelyne Elbert of the Fund will present the models. It is also learned that the Annual Fund Picnic will be held June 19.

THE FUND CIRCULATING LIBRARY conducted its 33rd book sale on May 21—its first since November 1967. Offered at greatly reduced prices were 165 volumes priced from $1 to $8. First day sales disposed of 108 titles for $162 but not "The Horrors of Love," by Jean Dutourd. Normally the book sales are arranged once a year to keep the library down to 200 volumes of current interest. They are always advertised as beginning at 9:00 a.m., but numbers dictating the order of selection are available as early as 8:00 a.m. and people who come afterward with a particular book in mind are usually too late.

The Library Committee was established about 20 years ago. It tries to select what the staff will enjoy reading. The charge is 5 cents a day.

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BANK BAGS BRIDGE TROPHY. Mr. Antoine van Dijk (IBRD) and Mrs. van Dijk are the winners in the 1968/69 trophy competition. They were awarded their silver cup on May 20.