STAFF **NEWS**

September 1974

THE ANNUAL MEETINGS will soon be upon us and, once again, the attention of the world of finance will be riveted on the deliberations at the Sheraton-Park Hotel. Altogether about 3,000 persons, including Fund/Bank Governors, Alternate Governors, other delegation members, observers and special guests, are expected to attend the Meetings from September 30 through October 4. Fund/Bank Executive Directors, their Alternates and staff of the Fund, Bank and IFC will participate in the Meetings. Several hundred special guests have been invited to attend. It will be a busy time for Fund staff members, involving virtually every Department, but placing especially heavy burdens on the Secretary's Department.

The Meetings will be preceded by the Managing Director's traditional press conference, which is to be held on the Saturday or Sunday before the opening, (see following article). The formal opening ceremonies will be held at 10:00 a.m. on Monday, September 30, with an address by the Chairman of the Boards of Governors, Henri Konan Bedie, Minister of Economy and Finance of the Ivory Coast, followed by addresses of Mr. Witteveen and the President of the World Bank, Mr. McNamara.

The sessions will be dominated by recent developments in the international monetary system, including the sharp rise in the rate of inflation in many industrial and developing countries, increased costs of major commodities, and the particular problems of developing countries. The Fund Governors are (continued on page 2)

WITH A HAPPY SMILE and the flourish of a pen, the Managing Director on August 7, signed the communications to seven member countries presenting for their final approval the borrowing agreements to finance drawings under the oil facility. The small ceremony in Mr. Witteveen's office (photo right) was attended by the Executive Directors representing the lenders - Jahangir Amouzegar for Iran, Robert Bryce for Canada, Guillermo Bueso for Venezuela and Nazih Deif for Abu Dhabi, Iraq, Kuwait and Oman - as well as senior staff members, including William B. Dale, Deputy Managing Director, Joseph Gold, The General Counsel, Walter Habermeier, Treasurer, and the Deputy General Counsel, James Evans, Jr.

The oil facility came into force on August 22 following the completion of the borrowing agreements. These agreements provide for the Fund to borrow, in the period up to the end of 1975, resources from the lenders to finance drawings under the oil facility. So far, the seven lenders have agreed to lend the Fund up to the equivalent of SDR 2.8 billion in their national currencies, or, in some cases, in U.S. dollars. With the completion of these borrowing agreements, the Fund is in a position to act on requests for purchases from member countries with balance of payments needs. These are met if a member requires assistance because of increases in the cost of its petroleum imports.

expected to approve the establishment of an Interim Committee of the Board of Governors to advise the Board on the management and adaptation of the international monetary system and on dealing with threatening disturbances of the system. The Interim Committee is to hold its first meeting during the Annual Meetings. The Fund/Bank Governors are expected to approve the setting up of a Joint Fund/Bank Ministerial Committee on the transfer of real resources to developing countries.

The Regular Elections of Fund Executive Directors and the Bank Executive Directors will be held at 11:00 a.m., on Tuesday, October 1, and Wednesday, October 2, respectively, and the Joint Procedures Committee is scheduled to meet on Thursday, October 3. Other items of business that will be considered in the course of the Meetings include the Annual Reports, application for membership of Papua New Guinea, which is expected to become eligible to join as the 127th member of the Fund near the end of this year, as well as such "housekeeping" items as the financial statements and audit reports and the administrative budgets. The Meetings will also consider the invitation of the Government of the Philippines to host the 1976 Annual Meetings in Manila.

The final session of the Annual Meetings will be on the morning of Friday, October 4, and will consist of reports by the Joint Procedures Committee and closing remarks by Messrs. Witteveen and McNamara and the Chairman. Mr. Witteveen will hold a further press conference after the formal adjournment.

It is planned to speed up the proceedings each day by arranging for prompt adjournments -- 1:00 p.m. for morning sessions and 6:00 p.m. for afternoon sessions--and by holding an additional session on the afternoon of Monday, September 30. Altogether 16-1/2 hours have been set aside for Governors' speaking sessions, providing time for well over 60 speakers in all. Last year at the Nairobi Annual Meetings, when the average length of each speech was just over 15 minutes, there were 61 delivered statements and 15 others which were placed in the record.

The Sheraton-Park Hotel will not begin its renovation program until after the Annual Meetings and the participants will be spared the disruption that it was feared the reconstruction would cause.

A number of official social events have been planned for Governors and their wives during the Meetings, including the reception by Chairman and Mrs. Konan Bedie on Sunday, September 29, at 6:00 p.m. at the Shoreham Americana Hotel.

<u>ARRANGEMENTS FOR THE "MEETING WITHIN THE MEETING"</u> are proceeding apace. The cavernous Exhibit Hall No. 1 of the Sheraton Park, immediately below the Conference Hall, will again become the joint Fund/Bank Press Room for the meeting. At past meetings, as many as 600 journalists, cameramen, embassy press attaches, and teleprinter operators have been registered for the meetings, making the total press "delegation" second in size only to the total of official delegations.

The press side of the meeting, run by the Information Offices of the Fund and Bank, will start formally with a traditional pre-Meeting press conference on either Saturday or Sunday, given by the Managing Director, at the Sheraton Park. The press is expected to be out in force for the Meeting's opening ceremonies on Monday, with a strong contingent of still photographers and television cameramen. But most of the press work will be done in the Press Room, where texts of governors' speeches are distributed, and where communications facilities -- both local and overseas -- are available almost around the clock. The major international common carriers -- ITT, Western Union International and RCA -- will as in past years have their own transmitting positions in the Press Room, to handle correspondents' copy to Latin America, Europe, Asia, Africa and the Middle East. The Information Office will have incoming newsprinters from the major international agencies, to permit an uninterrupted flow of world news during the meeting to national delegations, Management and senior staff, and for use in producing the Morning Press. Besides the formal Fund press conference, many of the national delegations and regional caucuses are expected to hold briefings and press conferences during the meeting. The press side of the week will end formally on Friday, October 4, with a traditional luncheon given for press representatives by the Managing Director.

A BANGLADESH EMERGENCY RELIEF FUND has been formed and staff members who wish to contribute to the relief of the victims of the flood disaster in Bangladesh may do so by forwarding their checks to Muhammed Bhuiyan of the Treasurer's Department, in room 7-417. Mr. Bhuiyan is Co-Chairman of the Relief Fund. Contributions by U.S. citizens are expected to be tax-deductible.

In the past two months the Bangladesh floods, the worst in memory, affected 18 of the new nation's 19 districts and submerged as much as two-thirds of its total land area. Over 35 million persons have been displaced by the floods and some 10 million acres of crops destroyed. The official death toll is now more than 1,800, but unofficial estimates indicate that this toll will certainly rise much higher as reports come in from outlying districts. The capital of Dacca faced the danger of being completely inundated (photo below) and was already cut off from the rest of the country. As the flood waters recede, the risk of outbreaks of typhoid, cholera and other infectious diseases is considerable.

Poul Høst-Madsen, Fund Resident Representative in Bangladesh, has sent Staff News a special article describing the devastating impact of this year's floods. He writes: "Rains started relatively early this year. We have seldom seen a sunny sky since April 1. In July the rains intensified both in Bangladesh and in the mountainous parts of neighbouring India, in Nepal and Tibet. Floods are part of the normal life of Bangladesh and indeed are needed for its particular pattern of agriculture. However, this year the rivers rose to record or near record levels causing devastating damage to crops, inundating and even washing away whole villages. At this writing most of the rivers are again receding, only the Ganges is still rising. In the wake of the flood, as the water becomes stale, epidemics are likely to spread. The human dislocation brought about by the flood, affecting 20 million people, cannot be remedied for a very long time.

"Two weeks ago I was invited by the Government on a helicopter tour over the flooded area. Villages were little islands, with houses partly under water. Many railway lines and roads were impassable ending somewhere in the open water. I have never seen such a sight. In Dacca, many houses are now nearly fully covered by water; from my office window I have seen the water level rising from day to day, now one-fourth of a house is under water, than one-half, then three-quarters; finally the water reaches

the roof. People with relatives in the country describe the misery experienced by their relatives and their fear of sickness and famine. The main road to the office is flooded so that we have to drive through up to eighteen inches of water. We are lucky. In some parts of town traffic is only possible by boat. Pictures can give only a superficial impression of the havoc that has been created.

"Clearly, human compassion is called for. I would strongly appeal to my colleagues in the Fund to give material expression to their sympathy for the sufferings of people in a member country at this critical hour, as they did a few years ago when the people of Nicaragua were the victims of a devastating earthquake."

THOSE LAZY, HAZY DAYS OF SUMMER are now drawing to a close. But while they last, swimmers, golfers, tennis-buffs, picnickers and all others who enjoy the open air have been participating in the many and varied pleasures to be discovered at Bretton Woods. Staff members are reminded that although the swimming pool will only be open on weekends for the two weekends of the 7-8 and 14-15 September before closing for the season, all other facilities, including the club-house, will be open into the fall. To remind staff members of the delights to be found out at BWRC, Bob Townsend, Photographer in the Graphics Section, took a trip out to the Center, and his evocative photographs are featured here in a montage by Bob Frederick.

"STEPS TOWARD INTERNATIONAL MONETARY ORDER" will be the topical subject of this year's Per Jacobsson Foundation lecture, which is to be held in Tokyo on Friday, October 11, one week after the conclusion of the Annual Meetings. The hosts for the lecture, the first to be held in Asia, will be the Federation of Bankers Association of Japan and the meeting will be held at the Federation's headquarters building.

Papers on the subject are being presented by Dr. Conrad Oort, Treasurer-General of the Netherlands, and by Dr. Puey Ungphakorn, former Governor of the Bank of Thailand and currently Professor of Economics at Thannasat University. The commentators will be Dr. Saburo Okita, President, the Overseas Economic Cooperation Fund, and Mr. William McChesney Martin, former Chairman of the Federal Reserve Board of the United States. A reception will be held at the Bankers Club immediately after the meeting.

Invitations have been sent to a large number of Japanese and Asian bankers, economists and businessmen, as well as other interested persons from around the world. Among those expected to be present is Mr. Witteveen, who plans to fly to Tokyo for the meeting, prior to beginning a two week tour of a number of the Fund's member countries in the Asian and Pacific region.

THE NEW GROUP LIFE INSURANCE PLAN, made available to staff members in June, has been a considerable success, according to an analysis made by the Administration Department. Some 200 staff members not previously insured have joined the plan, bringing total enrollment to 1,198, or 86 per cent of eligible staff members, compared with a participation of 73 per cent under the former plan. Most of the new enrollees are younger staff, aged under 35, the group which is in the position to benefit to the greatest extent from the new age-related rates charged participants in the new plan. Just under half the participants, or 49 per cent, chose the higher amount of coverage provided under Option 2 of the plan (under which coverage is three times salary up to a maximum of $100,000). A large proportion of those who chose the greater coverage are aged under 44, many of whom have greater family needs than older staff members.

A breakdown of enrollment by salary level indicates a gradual increase in the rate of participation in the plan from 75 per cent at the lowest level to 94 per

cent at the highest. Total coverage in force is almost $49 million, about twice the previous amount. Under the earlier plan the total annual gross premium in recent years has been about $240,000, of which the Fund has paid roughly one third. The total cost for next year is estimated to be about $265,000, with the Fund subsidy about $86,000.

FRANK A. SOUTHARD, JR., the former Deputy Managing Director, has been appointed a Senior Associate in Kearns International, a consulting company with head offices at 1701 Pennsylvania Avenue, N.W.; telephone 387-7500. The Company is headed by Henry Kearns, former President of the Export-Import Bank of the United States.

GERARD DE MARGERIE succeeded Claude Beaurain as Alternate Executive Director for France on 1 August. Mr. de Margerie was born in Paris in 1940 and is a Diplômé of the Institute d'Etudes Politiques and a graduate of the Ecole Nationale d'Administration. From 1967 to 1971, he served as Administrateur Civil at the Ministry of the Economy and Finances, and from 1972 to 1974, he was Financial Attaché at the French Embassy in Washington.

DAVID W. GREEN, (photo, page 7), has succeeded Andrew Crockett as Personal Assistant to the Managing Director. Like Mr. Crockett, Mr. Green comes to the Fund from the Bank of England, where he served in the Overseas Office, dealing most recently with relations between the EEC and the City. He is a Classics graduate of Corpus Christi College, Cambridge University. He also has a M.Sc. in Financial Economics from the University College of North Wales, Bangor, where he went for graduate studies on a year's sabbatical leave from the Bank of England. Mr. Green's chief hobby is music -- he is a qualified pianist -- and he says he would welcome hearing from other staff members who share his interest or are interested in playing chamber music.

Mr. Crockett has been appointed an Advisor in the Western Hemisphere Department.

MEMBERSHIP AND NONMEMBERSHIP IN THE INTERNATIONAL MONETARY FUND: A Study In International Law and Organization, is the title of Joseph Gold's latest book, which is to be published by the Fund in September. In his book, the General Counsel examines the many questions of law, practice, and diplomacy that have arisen in connection with member countries' entry into the Fund, their withdrawal from it, and the Fund's effects in nonmember countries.

Over the years, the author explains, the Fund has developed a flexible and pragmatic approach to the criteria for membership. Also, the Fund has been ready to accept countries with state-controlled economies as members, and the book discusses the role of the Soviet Union in the negotiation and drafting of the articles. Among other topics discussed are the terms for membership and the relationship of Fund membership to membership in other international organizations.

The section of the book which deals with ex-membership of the Fund discusses withdrawal and the obligation to settle accounts with the Fund and other consequences. The section on nonmembership describes the gloss that Fund practice has put on the principle that a treaty does not create obligations or rights for "third states".

New Members of Fund Staff

Miss Rosalinda Bailey
U.S.A. - TRE

Ms. Elena Burbidge
U.S.A. - BUR

Mrs. Ginette R. Elkind
U.S.A. - OED

Miss Patricia M. Garten
U.S.A. - BUR

Mr. David Green
U.K. - OMD

Mr. H. Robert Heller
U.S.A. - RES

Mrs. Catherine John
Sierra Leone - OED

Mr. V. Sundararajan
India - ASD

Mrs. Margaret Thompson
U.S.A. - SEC

Mr. Gold's book is priced at $10.00. Fund staff are reminded they are able to take advantage of a 40 per cent discount in purchasing this or any other books published by the Fund.

THE INFORMATION OFFICE has a new piece of equipment, a Xerox telecopier, which can send copies of press releases and statements over regular telephone lines to recipients in the United States. The Office has been using it regularly for daily distribution of the SDR valuation to wire services and newspapers in Washington and New York. It is also used for transmission of Fund press releases to a central distribution agency in Washington and other recipients. Transmission of a single page takes six minutes, and ensures that a legible copy is speedily available to the recipient. The telecopier is available to any Department or Office wishing to send printed matter to a recipient in the U.S. (Our picture shows David Armour and Catherine Fleck of the Information Office operating the telecopier).

THE EAST-WEST ASSOCIATION, a private, non-profit educational organization concerned with all aspects of international affairs, offers a wide range of cultural activities in the Washington area as well as domestic and international charter flights and group tours, with optional ground arrangements. The Association also is in a position to assist staff members in arranging group charter flights tailored to their interests or in making low-cost individual travel plans. It will waive the normal initiation fee for staff members. Annual membership dues are: Single, $10, Family $15. For further information and membership applications, staff members are advised to contact the Association's offices, 810 18th Street, N.W. (tel: 783-3607).

THE BANK/FUND CHORUS' next program will be a large symphonic choral work. All instrumentalists interested in joining the orchestra, please call Amy Green on ext. 3216.

TWENTY-YEAR STAFF. In August, Miss Elvira R. Bagares, Social Assistant, IMF Institute, commemorated twenty years of service with the Fund.

TWENTY-FIVE YEAR STAFF. Mr. Albert A. Mattera, Senior Advisor, Asian Department, and Mr. George P. Nicoletopoulos, Deputy General Counsel, Legal Department, commemorated twenty-five years of service with the Fund in August.

MARRIAGES. Miss Ellen Dimaano, Research Department, was married to Mr. Rex H. Latham on June 15; and Ms. Hjordis Bierman, Western Hemisphere Department, was married to Mr. Curtis B. Suplee, on July 5.

BABIES. A son, Karl, was born on March 5, to Mr. and Mrs. Reimer O. Carstens; a daughter, Asaki, was born on March 15, to Mr. and Mrs. Eisuke Sakakibara; a son, Pierre-Duke, was born on June 14, to Mr. and Mrs. I. Bruno Valentini (Doris); a daughter, Erika Brynne, was born on June 30, to Mr. and Mrs. Kenneth Friedman; a son, Alvaro Raul, was born on July 11, to Mr. and Mrs. Ricardo J. Puig; a son, Charles, was born on July 19, to Mr. and Mrs. Paijit Habanananda; a daughter, Nadia Hamama, was born on July 19, to Mr. and Mrs. Abdelkader Benamara (Sieglinde); a daughter, Sarah Elizabeth, was born on July 20, to Mr. and Mrs. Robert G. Di Calogero; and a daughter, Yukiko, was born on July 25, to Mr. and Mrs. Yoshihide Ishiyama.

RALPH L. GORDON has been appointed Chief, Graphics Section, Administration Department, succeeding Roy E. Carlson, whose retirement was announced last month. A United States citizen, Mr. Gordon joined the Fund in June 1947, after having served as an Offset Press Operator with the U.S. Government's Bureau of Federal Supply. He was appointed Assistant Supervisor of the Print Shop in May 1955, Printing Supervisor in May 1958 and Assistant Chief of the Graphics Section in May 1970. Mr. Gordon has assisted in or supervised the duplicating and reproduction of documents for Annual Meetings since 1949 and has attended all overseas meetings since 1958 with the exception of the 1970 meetings in Copenhagen.

SLIMNASTICS CLASSES began in June and have proved to be very popular. The classes are under the direction of Carmen Decarli, wife of Western Hemisphere's Edgardo Decarli (photo right).

Mrs. Decarli holds a degree of Professor of Physical Education from Buenos Aires and a diploma in Gymnastics and Athletics from the Deutsche Sporthochschule in Cologne, and conducts the classes with such high spirits that they are a delight to the mind as well as to the body -- a very refreshing break in the routine of a Fund day.

Classes meet in the Recreation Room at lunchtime on Wednesday from 12-12:30, and on Friday from 1-1:30, and on Wednesday evenings from 5:30-6. There is a fee of 50¢ per class. For further information, call Grayson Govatos, ext. 5226.

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