September 1975

STAFF NEWS

ANNUAL MEETINGS 1975

THE FUND'S THIRTIETH ANNUAL MEETING, while it appeared to give new impetus to monetary reform, left a heavy calendar of work for the Executive Directors as well as the Management and staff. These are tasks to be completed by January 7, when the Interim Committee of the Board of Governors is to be convened next, in Jamaica. By that time, completed recommendations will be expected on the quota review, a definitive comprehensive draft Amendment to the Articles, a full proposal on the special Trust Fund, and conclusions from a review of the Compensatory Financing Facility. A major review of policies on use of the Fund's resources is in prospect. There will be further efforts to strengthen the financial base of the oil facility and the interest subsidy account.

Advance expectations, in the weeks leading up to the Annual Meeting, had been somewhat pessimistic regarding the outlook for immediate progress on issues of monetary reform. In the event, however, strenuous last-minute efforts and a cooperative spirit among Governors led to agreement on the distribution of quota increases among industrial countries, on central bank transactions in gold, and on the main outlines of a Trust Fund to be operated for the benefit of developing countries with resources realized from sales of a part of the Fund's gold holdings.

There appeared to be a consensus, not only on the desirability of monetary reform, but on the need to address the payments problems of developing countries, which are expected to be severe over the year ahead. With the latter in mind, the United States offered proposals, both in the United Nations and in the Fund and Bank meeting, for expanding the financial activities of the Fund and Bank group. These referred in particular to the possibility of a substantial liberalization of the Fund's Compensatory Financing Facility.

Concern for third world countries was also evident in the Interim Committee's agreement, stated in its communiqué, that industrial countries with slack domestic demand and strong international payments positions should lead in the promotion of a satisfactory rate of expansion in world trade and activity. While some Governors emphasized this should not be at the cost of further inflation, a number of stimulative measures have been reported in recent weeks.

All in all, the general atmosphere at the meeting, according to Mr. Witteveen at his closing press conference, was such as to encourage hopes of substantial further progress in problems of Fund concern during the coming months.

THE INTERIM COMMITTEE'S FUTURE EFFORTS, however, will have to be organized under a new chairman. It was less than one week after most Governors had left Washington that John N. Turner, who had chaired the Committee since its first meeting, resigned as Minister of Finance of Canada and withdrew to private life. There was no immediate indication regarding a successor, or the timing of the selection.

THE PRESS TURNOUT at this year's Annual Meetings was one of the largest on record, with total registration reaching 730. This again made the press the second largest contingent at the meetings, exceeded in total numbers only by the official delegations. The international wire services were strongly represented, bringing with them the most sophisticated electronic equipment to speed the flow of news from the press room to subscribers around the world. "Visual display terminals" were very much in evidence, allowing the reporter to write his story, have it displayed on a fluorescent screen, make the necessary corrections on the screen, and then by pushing a button, feed the entire dispatch into a computer in London or New York for instantaneous distribution to subscribers. Reuters also provided the Information Office with two "Monitor" screens which, once a selected code had been tapped out on a keyboard, would print out on a screen in seconds exchange rates, Euromarket rates and gold prices quoted by major banks in the United States and around the world. Our photo (right) shows the operation of one of these machines. Despite the latest developments in electronics, however, the more mundane tools of typewriters, paper, telephones and legwork remained the reporters' staple. Well over a million words were written on the proceedings during the week - more than enough to fill an entire 120-page edition of the average newspaper.

Press interest was heavily concentrated on the weekend before the meetings, with the Managing Director's traditional pre-meeting press conference on Saturday, August 30, then the joint press conference of Interim Committee Chairman John Turner and Mr. Witteveen which followed the day-long meeting of the Committee on the Sunday. The decisions taken by the Interim Committee were still drawing editorial comment and analysis for some days after the meetings had ended. Also on the Saturday before the meetings opened newsmen were scrambling to track down the finance ministers of the Group of Five - the U.S., Britain, Germany, France and Japan - who eluded the press by meeting on the U.S. presidential yacht Sequoia for a cruise down the Potomac. Their meeting and that of the Group of Ten were extensively reported.

The meetings "peaked" for many journalists on Monday and Tuesday, with the opening speeches by Chairman Gumersindo Rodriguez of Venezuela, World Bank President Robert S. McNamara and the Managing Director. The press seats in the plenary hall were again crowded on Monday afternoon for the report presented to the Governors by Interim Committee Chairman John Turner and for the opening of the annual discussion. President Ford on Tuesday also addressed a full house, not least because of the strict security precautions which required his audience to be seated in the plenary hall by 9.20 a.m. This meant a busy morning for the press, many of whom had earlier attended briefings by the U.S. Treasury Secretary, William Simon, and the British Chancellor of the Exchequer, Denis Healey. Interest in the proceedings continued strong throughout the rest of the week, however, as journalists covered the speeches of Fund Governors and at the same time studied the

impact on the proceedings of developments at the U.N. special session in New York. Particular attention was paid to the proposals presented on behalf of U.S. Secretary of State Henry Kissinger, which, among other things, called for a massive increase in the size of the Fund's Compensatory Financing Facility.

On Friday, September 5, the Managing Director held his final press conference, which was followed by a press luncheon at which he acted as host and which was also attended by many senior Fund staff. The final event of the meetings for the press was a "press summation" at 2.30 in the afternoon, which was given by U.S. Treasury Under-Secretary for Monetary Affairs Edwin Yeo.

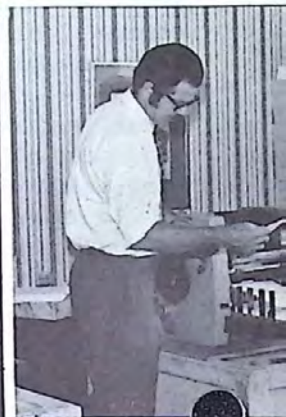
THE IMF INSTITUTE COUNTED 98 DELEGATES who had participated in its courses, including 7 Governors, 21 Alternate Governors, 74 Advisors and 6 official observers - impressive testimony to the usefulness of its program. The Institute organized a reunion of these delegates with its staff at a special lunch.

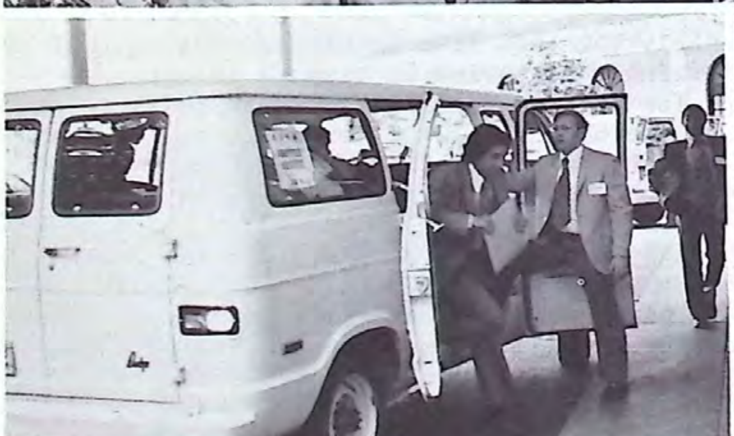
NOTES FROM THE MEETING. A Philippine hospitality center contributed a beautiful room display, films, refreshments, attractive hostesses, all to encourage everyone to attend the 1976 "thrilla in Manila". There were lobby exhibits of the new conference building under construction there. Philippine planning was also apparent in the presence of 33 members of a Preparation Planning Organization (PPO), including a sizeable Ladies Auxiliary Committee and a representative of the San Miguel Corporation...Mrs. Helvi Sipila, Assistant Secretary General at the U.N., conducted a special program on women's rights...There seemed to be more women among the delegates than previously, but only one with the status of Governor. She was Mrs. Marie-Christiane Gbokou, Minister of Finance of the Central African Republic...Pierre-Paul Schweitzer, the former Managing Director, and Frank A. Southard, former Deputy Managing Director, were among the special guests...Only 60 speeches were made in plenary sessions, continuing the recent trend..We used to hear 90....The Interim Committee conferred so late on the Sunday evening of the large Chairman's reception that few of its participants and press were able to attend that function...Entertainment of the delegates also included a smoothly-organized Wednesday evening reception and dinner. This was followed by a performance of the New York City Ballet, featuring dancers dressed as frogs and butterflies...There were 1,455 delegates, 147 official observers and 541 special guests along with the hordes of newsmen; total registration including wives and staff numbered 5,990. Everybody under one roof - the Sheraton Park's - except for the frogs and butterflies, who or which jumped and fluttered out at Wolf Trap. A memorable week. (The photomontage of the Annual Meetings on pages 4 and 5 is by Susan Putnam. Photos by Rino Giammetta).

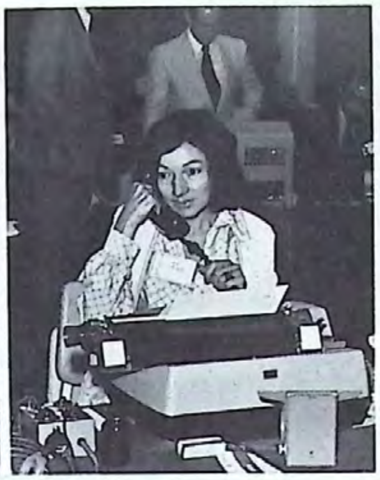
THE MANAGING DIRECTOR'S TRAVEL PLANS will likely take him from Washington for most of the period from October 10 through November 3. During this period he expects to attend a monthly meeting of the Governors of the Bank for International Settlements (BIS) in Basle, and also the opening of the new building for the Finance Ministry of the Netherlands in the Hague. On October 28 he will deliver an address in Frankfurt.

ALFRED HAYES, the former President of the Federal Reserve Bank of New York, (photo left), delivered the main paper at this year's Per Jacobsson Foundation Lecture, which was held in the second floor gallery on Sunday, August 31. His subject was "Emerging Arrangements in International Payments - Public and Private" and he presented the argument that "an inflation prone world" needs a system of greater

Annual Meetings







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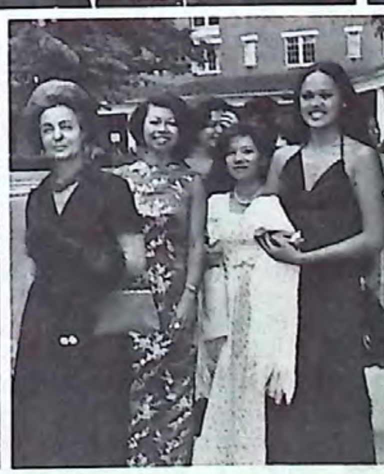
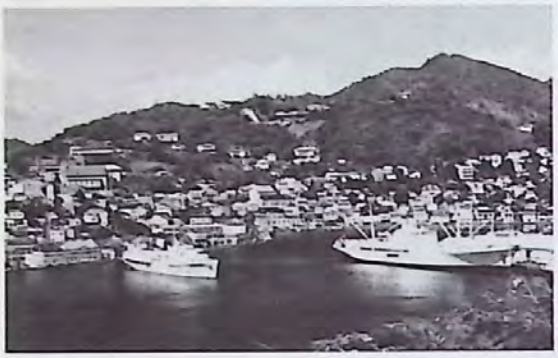


exchange stability. He recommended a system of "firmly managed" floating exchange rates so that international currency relationships would not fluctuate too widely. He also advocated a close link of the dollar bloc with the currencies of the European snake and attacked the concept of freely floating rates as an "illusion". Commentaries on Mr. Hayes' paper were delivered by Khodadad Farmanfarmaian, Chairman of the Board of Bank Sanaye Iran; former Fund Executive Director Carlos Massad, who is now Economic Advisor to the U.N. Economic Commission for Latin America; and Claudio Ségré, President, Compagnie Européene de Placements of Paris.

FROM THE DAYS OF CHRISTOPHER COLUMBUS, who first sighted the Caribbean island on August 15, 1498, up until the present, Grenada has been renowned for its gentle climate, its



fertile soil and its superb beaches. The State of Grenada, which became the 127th member of the Fund on August 27, when the Articles of Agreement were signed at the State Department by the Prime Minister, the Honorable Eric Mr. Gairy, has an area of 133 square miles and consists of the islands of Grenada, Carriacou and Petit Martinique. Grenada itself is the most southerly island in the Windward group and is about 21 miles in length and 12 miles at its greatest width. The population of the state is estimated at about 100,000.

Grenada is the world's second largest producer of nutmeg, being surpassed only by Indonesia. Together the two countries produce about 95 per cent of the total world supply of nutmeg. There are about 5,700 nutmeg growers in Grenada, with some 15,500 acres of nutmeg currently under cultivation, and they export nutmeg and its related crop of mace to 25 countries around the world. The Netherlands, Germany, the United States, the United Kingdom and Canada are the major customers. The other major export crops are cocoa and bananas. Agriculture and fishing account for some 30 per cent of employment in Grenada.

Tourism is another major sector of production, accounting for about 20 per cent of employment. While tourists who come on cruise ships represent nearly 80 per cent of all visitors, they account for only a tenth of estimated gross travel receipts of about $6 million this year. Noncruise visitors, who come mainly from North America and the West Indies, and who stay on an average for almost two weeks, account for the bulk of earnings from tourism. Grenada's quota in the Fund is SDR 2 million.

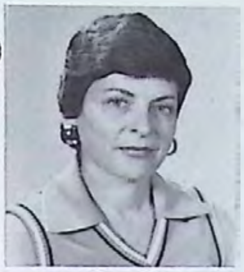
LUIS ESCOBAR of Chile has been appointed Deputy Executive Secretary of the Development Committee. Until recently, Mr. Escobar served as the World Bank's Special Representative for Inter-American Organizations, having been appointed to that position in 1970. He has also been Minister of Economy in Chile, from 1961 to 1963; an Executive Director of the Fund, from 1964 to 1966 and again from 1968 to 1970; and an Executive Director of the

World Bank, from 1966 to 1968. He has also been a member of many international groups in the fields of finance, development, population and inter-American relations.

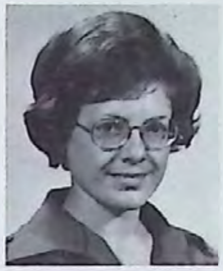
Mr. Escobar holds a degree in economics from the University of Chile and a graduate degree in public administration from Harvard University. He was professor and then Dean of the Faculty of Economics at the University of Chile from 1950 to 1963, and has since taught at several universities in the United States and Canada. He is the author of several books on economic and financial subjects.

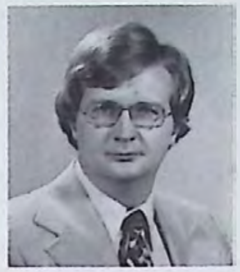
Henri Konan Bédié, Minister of Economy and Finance of Ivory Coast, is Chairman of the Development Committee. The Executive Secretary is Henry J. Costanzo of the United States and M.M. Ahmad of

New Members of Fund Staff


Ms. Simone Bowers
U.S.A. - TRE

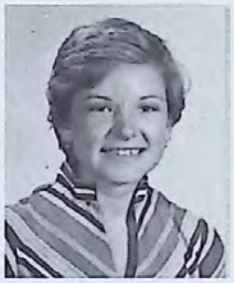

Miss Mary J. Brutout
U.S.A. - SEC


Mrs. Josette Demarteau
France - TRE

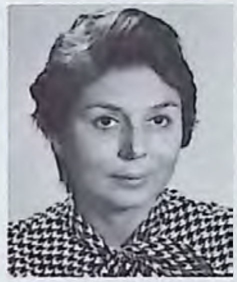

Mr. Robert M. Goschy
U.S.A. - BUR


Mr. Olav Grønlie
Norway - WHD


Mr. Francis X. Hogan
U.S.A. - ADM


Miss Maria C. Huerta
Chile - BUR


Mrs. K. Birgitta Kantola
Finland - EUR

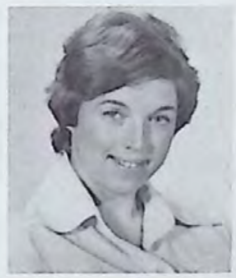

Mrs. Parvaneh Khosropur
Iran - ADM


Miss Digna Mansveld
Netherlands - INST


Miss Glenys Murrell
Australian - ASD


Mrs. Ulla S. Odone
Sweden - INST


Mr. Daniel J. Scheuer
U.S.A. - BUR


Ms. Karin Strobel
Germany - TRE


Mr. Alan Tait
U.K. - FAD


Mr. C. Douglas Walker
U.S.A. - BUR

Pakistan was appointed a Deputy Assistant Secretary last year. The Development Committee's Secretariat has its offices in the World Bank's "A" building.

A SMALL FIRE of undetermined origin broke out in the beverage section of the cafeteria on Sunday, September 14, and did some minor damage to the floor beneath the coffee urn. What caused the fire is still being investigated, but it has already been determined that it was not due to any electrical malfunction. The fire was discovered by a guard in the course of his normal rounds and, although the fire department was promptly notified, it was put out by two guards using extinguishers. The cafeteria was back in normal operation by coffee-time the following morning.

AMERICAN SECURITY AND TRUST CO., World Bank office, will now cash a staff member's personal check or a second party check up to $200 drawn on any bank in the United States. Staff members are reminded that they must present their Fund IDs when cashing all types of checks.

A STATE/USIA RECREATION ASSOCIATION TRAVEL DESK has been opened in the basement of the USIA building, 1776 Pennsylvania Avenue. Hours 12.00 - 2.00. Information on flights is available from this office or by calling 632-1610. Cecilia Poppe (ext. 6055, room 10-300) has been appointed Fund representative for the Recreation Association and membership applications should be addressed to her.

TWENTY YEAR STAFF. Mr. Gabriel Morin, Chauffeur Messenger, Office in Europe, commemorated twenty years of service with the Fund in September.

MARRIAGES. Mr. Mohamed A. Wasfy, Office of Executive Directors, was married to Miss Catherine Anne Harmon on July 26; and Miss Lilian Paul, Asian Department, was married to Mr. Richard A. Knauseder on August 20.

BABIES. A son, Eric Antonio, was born on June 15 to Mr. and Mrs. Efran Balangue (Marylen); a son, Michael Nguyen Tien Long, was born on June 28 to Mr. and Mrs. Gregoire Hung (Catherine); a son, James Stafford, was born on July 13 to Mrs. and Mrs. David Williams; a daughter, Dimple, was born on July 29 to Mr. and Mrs. Jitendra R. Modi; a son, Victor, was born on August 6 to Mr. and Mrs. Vicente G. Galbis; and a daughter, Nadia, was born on August 10 to Mr. and Mrs. George Khatchadourian.

CONTEMPORARY ART FROM INDIA, which was on display in the Atrium from August 26 to September 19, may have surprised many viewers by the absence of many of the traditional "characteristics" of Indian art which are familiar to those who have seen reproductions of the Ajanta frescos or Rajput miniatures. The present-day Indian artists deliberately shun any attempt to copy faithfully the old techniques, but rather seek to build bridges linking the influences of Indian and modern western art. The Art Society's exhibition was an instructive introduction to recent trends in the vital field of contemporary Indian art, and was all the more impressive in that it was entirely put together from private collections in the Washington area, many of them belonging to Fund and World Bank staff members. The opening on August 26 was attended by the Indian Ambassador, seen in our photo, right.

SANTA CLAUS WILL NOT PAY HIS VISIT to the Fund children at the Washington Hilton this year, nor will Bob Brown's marionettes perform, nor will there be lashings of ice cream and sticky cakes. It has been decided to discontinue holding the traditional Christmas Children's Party from this year onwards on the grounds that this has become increasingly unwieldy in recent years, with more adults than children attending it, and that it has ceased to be the close-knit family affair that it was when the Fund was much smaller than it is now. However, those staff members who may have been alarmed at the news that the World Bank has cancelled its annual Christmas Party will be relieved to hear that the Fund will continue to hold its adults' Christmas Party in the Fund building along the lines of last year's party, with a few improvements promised.

A WIVES' SEMINAR AND DISCUSSION on the topical issues of education, the position of the spouses of G-4 visa holders, staff benefits and other matters of general interest will be held on Wednesday, October 8, from 10.30 to 12.30 in the second floor gallery of the Fund building. The Fund Wives' Seminar Committee, of which Mrs. Witteveen is the Chairman, has arranged the seminar, which will be addressed by Phillip Thorson, Director of Adminstration and members of his staff. All those interested should call Staff Relations (telephone 477-3025) for reservations.

ALLERGY INJECTION recipients are reminded they must remain in the Health Room for at least 15 minutes after injections are given. Allergy injections are only given between the hours of 9.30 and 11.30 and between 2.00 and 4.45 when a physician is available who can attend to a staff member in the event of an adverse reaction.

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