THE NEED FOR AN ADDED STIMULUS to be given to the world economy to restore production and fuller employment and speed development was emphasized by a wide range of Covernors during their speeches at the 32nd Annual Meetings of the World Bank and the Fund, which were held at the Sheraton Park Hotel September 26-30. Concern over the slow pace of recovery in most countries was also expressed by H. Johannes Witteveen in his statement to the Governors on the opening day of the meetings, and by both the Managing Director and Denis Healey, the U.K. Chancellor and new Chairman of the Interim Committee, at their joint press conference following the conclusion of the Interim Committee's meeting on Saturday, September 28. The Joint Development Committee held its meeting on Sunday, September 29. Other topics of immediate concern affecting the international monetary system which were discussed by the Governors in their statements were renewed pressures in a number of economies for the adoption of protectionist measures and the need for a continued effort to reduce unemployment levels. At the same time, Governors agreed that it would be wrong to change the policy agreed at the 1976 Annual Meetings in Manila, which emphasized the importance of restoring price stability and balance of payments equilibrium.

In their comments on matters directly related to the Fund, Governors gave a warm welcome to the Executive Board's decision establishing a supplementary financing facility although some representatives of developing countries appealed for an easing of conditionality on drawings under the facility. Many speakers also appealed for a rapid approval of the Second Amendment of the Articles and ratification of the increases in quotas under the Sixth General Review. In addition, Governors joined in expressing their thanks to the Managing Director for his service to the Fund during the past four years (see next story).

The opening of the Annual Meetings was preceeded by a number of important regional meetings. These included the meeting of Commonwealth finance ministers in Barbados on September 19-22, the caucus of the Governors of Latin America and the Philippines in Cartagena, Colombia, on September 20, and a meeting of the finance ministers of the French franc area in Paris, also on September 20.

A total of 216 Fund and Bank Governors attended the meetings, a small increase over the number who attended the 1976 meetings in Manila. There were 329 Alternate Governors and over 1,000 Advisors and other delegation members who also participated.

A number of official social events were held for Governors and their spouses during

the week of the meetings. These opened on Sunday, September 24, with the official reception hosted by the Chairman, George Colley, Ireland's Deputy Prime Minister and Minister for Finance and the Public Service. On Tuesday, September 27, the U.S. Treasury Secretary, W. Michael Blumenthal, hosted a reception at the Washington Hilton hotel. On the following day, the heads of the two organizations entertained the Governors and their wives at a dinner at the John F. Kennedy Center followed by a concert given by the Philadelphia Orchestra conducted by Eugene Ormandy.

An extensive program was also arranged for wives of delegates. On the Monday the meetings opened, a welcoming luncheon was given in the Atrium, followed by a tour of the new Air and Space Museum and other Smithsonian galleries. On Tuesday, a visit to the State Department's diplomatic reception rooms was arranged and a special showing of international dress was held. On Wednesday, an all-day excursion to the new town of Columbia, Maryland, was given, while on Thursday, September 29, there was a historic tour of the White House.

As in the past, the arrangements for the meetings were handled by the staff of the Annual Meetings Office under the direction of Dana E. Brantley, Deputy Secretary for Annual Meetings. In addition, every department of the Fund was involved in some degree in ensuring a successful outcome to the week of deliberations.

WARM TRIBUTES WERE PAID to the Managing Director by successive Governors in their statements at the Annual Meetings. They mentioned in particular the various highlights of his career with the Fund and expressed regret at his decision for personal reasons not to make himself available for a second term. In his tribute, the Chairman of the meetings, George Colley of Ireland, observed that Mr. Witteveen "came to the Fund at a particularly difficult and crucial moment, and steered it brilliantly through a period that has been one of the most innovative and productive in the Fund's history".

Mr. Witteveen, who succeeded Pierre Paul Schweitzer as Managing Director in September 1973, came to the Fund at a time when the international monetary system had undergone a series of severe crises which had culminated in the breakdown of the Bretton Woods system and the realignments of major currencies. Within a few weeks of his arrival, the rise in international petroleum prices led to widespread inflation and a slowing of economic growth that, as the Annual Report noted at the time, constituted "perhaps the most complex and serious set of economic problems to confront national governments and the international community since the end of World War II." It was as a reaction to the oil price rise that Mr. Witteveen made his first important proposal, at the time of the Rome meeting of the Committee of 20 in January 1974, to establish an oil facility in the Fund. Under this facility the Fund borrowed the equivalent of SDR 6.9 billion from oil-producing and other countries in strong payments positions which it made available to those members severely affected by the sharp rise in world market oil prices.

A second achievement of Mr. Witteveen's tenure was the agreement on the proposed second amendment of the Articles, which culminated several years of work in the field of the reform of the international monetary system. In addition, the sixth general review of quotas led to agreement on an overall increase in quotas of a third, from SDR 29.2 billion to SDR 39 billion. The Jamaica meeting of the Interim Committee in January 1976, which reached full agreement on both the amendment and the quota increase, was followed by an agreement of the Executive Board extending temporarily the size of the Fund's credit tranches by 45 per cent.

The operations of the Fund during Mr. Witteveen's period have seen the introduction of new facilities and the extension of existing arrangements. In addition to the temporary extension of credit tranches, the period has been marked by the establishment of the extended Fund facility in September 1974, the liberalization and extension of the compensatory financing facility in December 1975, and -- most recently -- the establishment in September this year of the supplementary financing facility, under which 13 member countries and the Swiss National Bank have agreed to make available some SDR 8.4 billion to expand the resources the Fund can make available to members in payments difficulties.

In the past four years, Mr. Witteveen has travelled widely on the Fund's business, to meetings overseas of the Interim Committee and of other international bodies, such as the United Nations, the Bank for International Settlements, and the monthly central bank governors' meetings in Basle. He has delivered speeches in London, the Netherlands, New York, and San Francisco. Official travel has taken him to the Middle East, and to a large number of Asian countries, as well as to Australia, Central America, and Brazil.

The Managing Director has said that he has not made any definite plans for the next few years. He told a press conference on the final day of the Annual Meetings that he expects to return to the Netherlands, although he will not at the moment return to politics since the party he has supported in the past is not expected to participate in the Government. Asked whether he planned to write his memoirs, Mr. Witteveen responded that he has not yet made up his mind on that, either.

NEAR-RECORD NUMBERS of journalists and other newsmen from nearly every corner of the globe were registered in the Press Room at the Annual Meetings. Total press registration was nearly 550, a figure exceeded in Washington meetings only by the more than 600 press representatives who registered in 1971. In addition this year, a large number of White House correspondents and radio and television men came to the Sheraton Park on Monday afternoon when President Jimmy Carter addressed the meetings. As in past years, the Press Room, which occupied a cavernous space just under the Plenary Hall, provided all the facilities needed by the working press - from international telex and telephone communications, to copies of speeches and press conference transcripts, to background material on the Fund and Bank, to typewriters and copy paper, and even pencils. Staff members of the Information Office were on hand to answer a variety of questions and be of assistance to the press, as were representatives of the World Bank's Information and Public Affairs Department, while the press registration was handled in the upstairs concourse. An average of four editions of the Morning Press was issued daily during the meetings, providing a steady summary of press reaction to the major speeches and comment on the chief issues of concern.

The large national press contingents included 40 Japanese newsmen, 35 from the Federal Republic of Germany, and about 25 each from the British and Italian media. There were more than 40 journalists from Latin America, and representatives from India, Turkey, Iran, Egypt, Thailand, Ghana, the Ivory Coast, Australia, South Africa, the smaller European countries, and the Soviet Union -- plus, of course, a large contingent from the U.S.

Some of the international wire services installed their own transmission facilities in the press room -- usually futuristic-looking computer-linked visual display and transmission units -- to move the very large volume of copy they originated.

In addition to the press conference given by the Managing Director and Denis Healey, the U.K. Chancellor, following the Interim Committee meeting, the regular press conference given by Mr. Witteveen was held at the end of the week, followed by a luncheon for the press. Press conferences were also given by the Joint Development Committee and the Group of 24, as well as by a number of individual Governors, including those representing the United States, the United Kingdom, the Federal Republic of Germany, Japan, Mexico, and India.

The many facets of Annual Meetings' activity are captured in the photo layout on the previous pages. The photographs were taken by Joseph Diana and Reno Giammetta, and the photomontage was made by Susan Jaquet and Robert Frederick.

"THE INTERNATIONAL MONETARY SYSTEM IN OPERATION" was the title of this year's Per Jacobsson Lecture meeting, which was held in the Atrium on Sunday, September 25. The speakers were Dr. Wilfried Guth, Member of the Board of Management of the Deutsche Bank, who spoke from the perspective of the industrial countries (photo left), and Sir W. Arthur Lewis, Professor of Political Economy at Princeton University, who presented the viewpoint of the developing countries (photo right). Welcoming remarks were delivered by the Managing Director and the opening remarks were given by W. Randolph Burgess, Chairman of the Board of the Per Jacobsson Foundation.

In his lecture, which was titled "The Working of the International Monetary System", Dr. Guth observed that the second amendment of the Articles "provides for a maximum of flexibility in international monetary relations" and he made an appeal for a strengthening of the stabilizing elements within the system and for "a strengthening of the central authority of the IMF". He emphasized that while the second amendment had strengthened the Fund's legal position, the Fund "is no exception to the basic rule that institutions are as strong or as weak as their members want them to be". National authorities, he said, must be prepared to accept greater Fund authority, while the Fund must, for its part, meet the challenges and demonstrate effective leadership.

Sir Arthur Lewis, whos lecture was presented under the heading of "The LDCs and Stable Exchange Rates", observed that the exchange stability of developing countries was menaced by secular decline in world prices, by cyclical fluctuations, and by the developed countries' barriers which retard the growth rate of the LDCs' exports. With regard to the Fund, he emphasized that from the viewpoint of the LDCs, "an institution which did not look beyond exchange rates to the wider context which determines international monetary flows could be a menace rather than a help." The two presentations were followed by a discussion period in which questions were posed to the speakers by members of the audience.

JOSEPH W. LANG, JR., has been appointed Deputy Secretary of the Fund. He has been succeeded as Assistant Secretary by Alan Wright, formerly Advisor in the Administration Department. Mr. Lang, a U.S. citizen, joined the Fund in July 1960 as a Counsellor in the Legal Department. In November 1962 he was appointed Recording Assistant in the Secretary's Department, and became Recording Officer in May 1963. In May 1964 he became Assistant to the Secretary and in May 1967 he was promoted to Assistant Secretary. From December 1974 until August 1976, he served in the Office in Europe as Advisor. In June 1976, Mr. Lang was appointed as Secretary of the Per Jacobsson Foundation.

Mr. Wright, a British subject, joined the Fund in September 1966 as Recording Officer in the Secretary's Department. During his service with the Fund he has also served in the European Department and then, since 1970, in the Administration Department, where he was Assistant Director of Personnel and Chief of the Recruiting and Training Division before being appointed Advisor in May 1976. Other recent senior appointments in the Fund include those of Ernst-Albrecht Conrad as Advisor in the Fiscal Affairs Department and Andrew Crockett as Advisor in the Middle Eastern Department.

ROGER V. ANDERSON, Deputy Secretary of the Fund since 1967, took early retirement at the end of March, but remained with the Fund as Acting Secretary and then as a consultant until after the Annual Meetings. A Canadian national, Mr. Anderson joined the Fund in October 1946 as an economist in the Research Department. In March 1950 he transferred to the then Exchange Restrictions Department and in July 1952 was appointed Assistant Division Chief. In May 1957 he was promoted to Division Chief, and in May 1964 to Advisor in the immediate office of the Exchange Restrictions Department. In May 1966 he transferred to the Secretary's Department as Assistant Secretary and in November 1966 took on the duties of Assistant Secretary and Chief Editor. In May 1967 he was appointed Deputy Secretary, continuing to serve also as Chief Editor until early 1974.

SIJBREN CNOSSEN, Assistant Chief of the Tax Administration Division of the Fiscal Affairs Department, left the Fund at the end of August to take up the position of Professor at Erasmus University, Rotterdam, in his native Netherlands. Mr. Cnossen joined the Fund in May 1965 as a Tax Administration Analyst in the Fiscal Affairs Department. He served successively as Economist, Senior Economist, and Senior Tax Administration Analyst, before being appointed Assistant Division Chief in May 1974. He is the author of a wide range of publications and articles in the field of tax administration. (photo right)

SAO TOME AND PRINCIPE BECAME THE NEWEST MEMBER OF THE FUND on September 30, 1977, bringing total membership to 132 countries. The Democratic Republic of São Tomé and Principe is located off the coast of Gabon, in the Gulf of Guinea, approximately 280 kilometers from the city of Libreville. The republic is comprised of the main island of São Tomé, the island of Principe, situated nearly 150 kilometers to the northeast of São Tomé, and three islets: Rolas, Cabras, and Pedras Tinhosas. The combined population of the islands is around 80,000, of which the majority resides in São Tomé.

Due to the volcanic origin of the islands, the soil is relatively fertile. Agriculture is the major occupation. Cocoa, copra, coffee, and palm kernels are the chief export crops, while manioc, vegetables, bananas, and bread fruit are cultivated for domestic consumption. Manufacturing, relatively unimportant in the São Tomé and Principe economy, consists chiefly of small-scale industries engaged in the processing of local agricultural and forestry products. Except for a few flat coastal areas, the terrain of São Tomé and Principe is mountainous, with peaks as high as 2,024 meters (6,170 feet). Although the islands lie near the equator, the climate is mild. The rainy season, however lasts from September to the following May.

São Tomé and Principe has witnessed considerable emigration and immigration of persons from Cabo Verde and Angola, and of various ethnic groups from the African coast. However, the long-time European influence can still be readily observed. The population is predominantly Roman Catholic. Although English and French are taught in the high schools, Portuguese is the official language. Radio broadcasts are given and newspapers are available in dialect as well.

A SEMINAR OF SENIOR ASIAN OFFICIALS was hosted by the Fund from October 4 to 12. This was the second seminar for Asian officials--the first was held in 1973 to discuss the reform of the international monetary system. Initially conceived by Byanti Kharmawan, Executive Director representing a number of Asian countries, the seminar was arranged by the Asian Department and was held under the Chairmanship of Tun Thin, Department Director. A total of 24 participants from 17 Asian member countries attended the seminar; for a number of the participants it was convenient to attend the seminar following the Annual Meetings which they attended as Governors or Advisors.

The seminar was designed to acquaint senior officials of Asian countries with the legal, operational, and policy implications for members of the Second Amendment of the Articles of Agreement. Seminars were led by William B. Dale, the Acting Managing Director, Joseph Gold, the General Counsel, and J.J. Polak, the Economic Counsellor, as well as by senior staff from the Exchange and Trade Relations, Fiscal Affairs, Legal, Research, and Treasurer's Departments and the IMF Institute. The opportunity was taken to discuss also other subjects--such as the Fund's World Economic Outlook exercise, developments in balance of payments analysis, and fiscal policy--with special reference to Asian countries.

At the final session of the seminar, Mr. Tun Thin told the participants that during the week they had shared "a valuable and unique insight into recent developments in the world monetary system leading to the second amendment, and a preview of the effects these new arrangements will have in the work of the Fund, and ultimately, on member countries". He expressed his thanks to all the speakers from various departments for the skill and lucidity of their remarks, and complimented the participants for their penetrating questions and the intelligent discussion in which they had engaged at every session.

MARGARET G. DE VRIES, the Fund's Historian, contributed an article on "The Evolution of the International Monetary Fund and How It Relates to the Developing Countries", to the latest issue of International Development Review. In her article, Mrs. de Vries highlights the topics of special interest to developing countries in the new two-volume history of the Fund, of which whe was the author, and relates them to the current concerns of these countries. In order to indicate that the material in the history is relevant to current problems, Mrs. de Vries notes that "the past is prologue", and observes that "from its inception the Fund has been a flexible institution, adapting its policies and activities and introducing new ones in response to changes in world economic circumstances and in the needs of its member countries. Consequently, the policies and activities of the Fund vis-à-vis its developing members described in the volumes of the Fund history have foreshadowed further policy developments in the Fund and have reflected problems that continue to bear currently on the Fund's policies and activities".

The Society for International Development, which was founded in 1957 and which has the Fund as one of its Patrons, is a non-profit organization intended to stimulate and provide the means for the exchange of ideas, facts, and experience in the field of international development. Membership is open to all those interested in the Society's purposes.

New Members of Fund Staff


Mrs. Anne-Lise Auclair-Jones
France - BLS


Mr. Michael P. Blackwell
U.K. - SEC


Mr. Johannes M. Hannaart
Netherlands - EUR


Ms. Lisa Anne Katzenstein
U.S.A. - BUR


Mr. Robin Kibuka
Uganda - OED


Mr. Ronald E. Myers
U.S.A. - OED

INTERNATIONAL FINANCIAL STATISTICS, that indispensible volume for all those concerned with the international monetary system and the economies of the Fund's member countries, is clearly becoming known to a wider public. A copy of IFS is displayed prominantly in a new advertisement by Radio Shack for their small TRS - 80 computer, billed as "the first complete low-cost microcomputer for business, home or education!" A photograph in the advertisement shows a man making calculations using the computer while keeping his trusty IFS volume close by his left hand.

THE ABSTRACT PAINTINGS AND PRINTS of Ahmad Khalid Yusof, a Malaysian artist, were featured in the Art Society's exhibition which opened in the Atrium on October 18 under the patronage of the Malaysian Ambassador, His Excellency Zain Azraai. Mr. Yusof is currently completing his MFA degree in printmaking at Ohio University in Athens on a scholarship from his country where he took leave from his duties of teaching at the Faculty of Fine Art, Institute Teknoloji Mara. His works have been widely exhibited in London, Singapore, Bangkok, Tokyo, Latin America, and the United States, as well as in Malaysia.

The Art Society's next exhibition, which will open on November 10, will be of the paintings and prints of Lucien Tessarolo, the distinguished French artist whose works have been widely exhibited in Europe. Mr. Tessarollo, who will attend the opening reception, was born in Toulouse and his work reflects both the brilliant sun of the Mediterranean region and the influence of the British artist Graham Sutherland, whose work he strongly admires.

A FALL OUTING to Harper's Ferry is being planned by the International Camera Club for Sunday, October 30. With luck, the weather will be fine and the trees will still be in their autumnal foliage. Further details are available from Christina Hoedemaker, x2087.

The first of a series of ICC lunch time programs will be held on Wednesday, November 16. The program will feature a Kodak film entitled "Pictures by Existing Light", which runs for about 20 minutes. Showings will be at 12 noon and 1 p.m., and will be for ICC members only. Location will be announced later. All those who wish to participate and who are not yet members of the club are invited to join by sending their $5 check to the Treasurer, Peter Nelson, Bank room B-507.

"The Photographer's A,B,C, plus D of Composition" was the title of the first of three illustrated lectures on basic rules of composition, which was given by Gladys and Jack Mott, founders of the ICC, on Tuesday, October 18. The members' slide contest following the show was judged by Sandra and Blair Thaw of the Photographic Society of America. Winners were: Class AA, Peter Nelson (Bank), Dave Beach and Gladys Mott (Fund); Class A, Ian McDonald (Fund), Jack Mott (Fund husband), and Dora Diaz (Bank); and Class B, Magdalena Rodenas, Maurice Asseo (double winner), Alain Barbu (double winner), Martin King, Rosalia Miller, and Roger Smith (all Bank staff members except for Mrs. Miller, who is with the Fund).

THE FUND'S CHRISTMAS PARTY will be held this year on Saturday, December 17. Further details will be released later, but mark your calendars now.

MARRIAGES. Ms. Karin L. Strobel, Treasurer's Department, was married on August 13 to Mr. Maurice George Stack; Mr. James E. Minor, Administration Department, was married on August 27 to Ms. Sandra White; Ms. Brenda Livsey, Legal Department, was married on September 3 to Mr. Anthony George Coates; and Ms. Emerita G. Ignacio, Treasurer's Department, was married on September 4 to Mr. Robert A. Snow.

BABIES. A daughter, Eva, was born on June 15 to Mr. and Mrs. Herman Verwilst; a son, Rajesh Kumar, was born on July 4 to Mr. and Mrs. Eric Khandagle (Sujanaleelei); a son, James Patrick, was born on August 7 to Mr. and Mrs. James Harris (Gerda); a daughter, Antonia Elizabeth Rose, was born on August 19 to Mr. and Mrs. Julian Blackwood (Anthea); a son, Christopher Robert, was born on August 22 to Mr. and Mrs. H. Robert Heller; a son, Jaap Benjamin, was born on August 28 to Mr. and Mrs. Willem Bier; a daughter, Camille Irene, was born on September 2 to Mr. and Mrs. Marvin Towsend (Estelita); a daughter, Angela Teresa, was born on September 5 to Mr. and Mrs. Surjit K. Puri (Maria); and a daughter, Emily Constance, was born on October 2 to Mr. and Mrs. Christopher Browne.

RESIGNATIONS IN SEPTEMBER. Mr. Fuad A. Abdullah, Mrs. Marjorie H. Antonoff, Mr. Ole Hollensen, Ms. Kathleen L. Kirk, Miss Judith McIntosh, Mr. Chike C. Ozumba, and Mr. Livio A. Pino.

JOANE L. BARNES of the Central Banking Service died on October 18 after a long illness. Mrs. Barnes, a U.S. citizen, joined the Fund in May 1960 and had been with CBS since 1971. She is survived by her husband, two sons, and a daughter.

THE IMF/BANK SKI CLUB has prepared a varied program of activities for the coming season, including a European trip -- to Zermatt and Chamonix -- next March. Other skiing expeditions will include trips to Stowe, Vermont, in December, Massanutten and Snow Shoe in January, and Seven Springs, Pennsylvania, and Hunter Mountain, New York, in February. President for the 1977/78 fiscal year is Stephen A. Silard, x2953. Membership applications should be submitted, together with the $5 fee, to the Treasurer, George Park, World Bank room E-743, x2621.

THE BANK/FUND SQUASH TEAM performed valiantly during the summer season and gained second place (out of ten clubs which competed) in the Washington area league.

For the winter season, to be played with the new 70+ American ball, the club has entered a team in the A League and hopes to acquit itself successfully. Any staff members who are interested in playing competitive squash are invited to contact Ian S. McCarthy, x3244, for more details.

"MUSIC AT NOON" concerts were held on a weekly basis during October at the Western Presbyterian Church around the corner from the Fund. A final concert in the series is to be held on Thursday, November 3, at 12:15 p.m., and will feature the perennially popular Woodson Male Chorus performing a program of American popular and folk songs.

THE BANK/FUND CHORUS has tentatively scheduled its Christmas concerts for December 13 and 14. The program will include the "Nine Lessons of Christmas" by John La Montaine; "Hodie Christus Natus Est", by Jan Pieters Sweelinck; and "Hodie! Emmanuel! Gloria!", by Milburn Price. Rehearsals for the concerts have already begun.

THE BANK/FUND TM GROUP will hold its next meeting on Thursday, November 10, at 12 noon in room E-855 of the World Bank. A videotape and discussion is planned. All those interested in practicing the TM technique are invited to attend. For further information call Darryl Brown, x5157.

STAFF **NEWS**

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