STAFF **NEWS**

February 1979

THE GREAT SNOW OF 1979 closed the Fund for only the second time in its history on February 20. The snow, which fell in depths of up to two feet, had so completely blanketed the area by early morning on George Washington's Birthday holiday, February 19, that it was apparent to K.N. Clark, Director of Administration, that the Fund would have to follow the example of virtually every other organization in the Washington area and remain closed the following day. Mr. Clark alerted Mary Dellenoci, Administrative Officer in the Administration Department, who rapidly organized all the other departmental Administrative Officers to call staff members at their homes and instruct them not to report for work.

There were a few dedicated souls, however, who made it into the building on the Tuesday to perform some essential services. Michael Dennison, Acting Chief of the Communications Division, and Majorie E. Ward, the Supervisor of the Cable Room, struggled in through the snow to handle incoming cables from member countries and notify Executive Directors at their homes of important messages. When they left the Fund in the afternoon, they also gave a ride to David Armour of the Information Office, who had been checking the wire service dispatches for any major international developments.

Of the members of the Executive Board, Matti Vanhala, Executive Director for the Nordic countries, drove to the Fund in his four-wheel-drive vehicle. Some Department Directors also came to the building, including A.S. Shaalan, Director, Middle Eastern Department, and Roland Tenconi, Director, Central Banking Service Department. In addition, there was a steady stream of staff members into the building during the day to work on pending matters, although at least as many staff members attempted to reach the building and were unable to do so.

Essential services in the building were already at a low level owing to the holiday weekend. When the snow struck the area, many of the guards and engineers who were already in the Fund continued on double shifts to ensure security and the operations of essential equipment. Food was specially brought in to keep them supplied. The heavy snowfall was also an excellent opportunity for the engineers to test the special snow melting equipment which is installed in the troughs on the Atrium roof. This equipment worked perfectly and there was in consequence no damage to the roof.

When the Fund reopened on Wednesday, February 21, conditions had slightly improved and the overwhelming majority of staff members were able to make it to their offices, often after spending a long time on the road. According to William M. Avery, Assistant Director for Administrative Services, some 900 persons were served meals in the cafeteria at lunchtime and about 90 more were accommodated in the Executive Dining Room.

THE INTERIM COMMITTEE MEETING ON MARCH 7 will once again be held in Washington at the World Bank's Eugene Black Auditorium. For the fourth time, the Chairman will be Denis Healey, the British Chancellor of the Exchequer (seen in our photo above).

The agenda for the meeting will cover the world economic outlook, the working of the adjustment process, as well as international monetary questions. The occasion will permit the participants to exchange at first hand their views on recent economic developments and their suggestions on which present problems may best be resolved. The members will also receive reports on the status of the supplementary financing facility, further uses of the special drawing right, and the possible establishment of a substitution account in the Fund.

The 21-member Interim Committee was established in 1974 and is composed of finance ministers and central bank governors reflecting the various constituencies in the Fund's Board. Its last meeting was held in Washington immediately prior to last year's Annual Meetings. On that occasion the Interim Committee agreed on a 50 per cent increase in the Fund's resources under the Seventh General Review of Quotas, new allocations of SDRs--the first of which was made at the beginning of this year--, and expressed its concern at the persistence of inflation in the world and the increasing resort to protectionism in a number of countries.

Recent developments in the world economy were discussed by the Managing Director in a speech delivered in London on February 5 (see following story).

As in the past, the meeting of the Interim Committee will be preceded by a number of ancillary meetings. The Intergovernmental Group of 24 developing countries will convene at the Deputies' level on March 4 under the chairmanship of Alfredo Phillips O., Deputy Director of the Bank of Mexico, and at the ministerial level on March 6 under the chairmanship of David Ibarra-Munoz, Mexico's Secretary of Finance and Public Credit. The Group of 10 (the industrial countries associated in the General Arrangements to Borrow) will meet at the Deputies' level on March 6, under the chairmanship of Karl-Otto Poehl, Deputy Governor of the Deutsche Bundesbank, and at the ministerial level on March 7, with Hans Matthoefer, the Federal Republic of Germany's Finance Minister, in the chair.

Following the meeting of the Interim Committee, it is to be expected that Mr. Healey and Mr. de Larosière will hold their accustomed joint press conference to discuss the outcome.

"TOWARD A MORE STABLE WORLD ECONOMY" was the theme of an address which the Managing Director delivered in London on February 5 to the Overseas Bankers Club. In his speech, Mr. de Larosière noted that a major factor in exchange market disturbances in recent years had been the highly unbalanced current account surpluses and deficits among major industrial countries. Although this divergence had tended to narrow in 1978, this did not happen before demand closed in on productive capacity in the United States and there had also been a massive increase in international liquidity resulting from intervention in exchange markets.

Despite these unfavorable developments, the Managing Director saw ground for hope that the adjustment process may now be at work and he forecast that there should be a reduction of the U.S. deficit in 1979 and a corresponding fall in surpluses in a number of European countries and Japan. However, obstacles to progress remain, he said. These include the slow growth of output in most countries, persistence of inflation, and the fact that the disappointing performance of the industrial economies affect the adjustment and development efforts of other countries.

The Managing Director concluded by emphasizing that the Fund would continue to play a crucial role through exercising firm surveillance of the exchange rate policies of its members, making increased financial resources available, and moving toward a more rational control of international liquidity through the enhanced use of the special drawing right as the principal reserve asset.

"THE CHANGING MONETARY SYSTEM: EVOLUTION AND REFORM" was the title of a speech delivered in Kuala Lumpur on February 2 by H. Johannes Witteveen, former Managing Director of the Fund, on the occasion of the 20th anniversary of the Central Bank of Malaysia. In his address, Mr. Witteveen, who was speaking in his capacity as Adviser to the Board of Managing Directors of the Amsterdam-Rotterdam Bank N.V., traced the recent experience with the system of floating exchange rates and drew his conclusions from this. He pointed out that the experience showed that the equilibrating role of exchange rate adjustments is not automatic and immediate as theories of floating have often assumed; nevertheless exchange rate adjustments have an essential role to play in the adjustment process; there must be appropriate demand and incomes policies; and the exchange rate effects on economic activity in specific countries depend on the share of foreign trade in the national income.

The scenario for coordinated growth and payments adjustment which was developed by the Fund last year and upheld at the time of the Annual Meetings depended on two ranges of conditions, Mr. Witteveen said. First, it depended on significant shifts in the stance of politics in many countries, and on measures to finance the deficits on the U.S. current account. These conditions were only met very partially last fall, he said, and the exchange rate effect on growth rates was not sufficiently taken into account in the design of demand policy. The measures taken by the U.S. authorities on November 1, "could have the potential to put the international payments situation on an equilibrium track," he observed, but "recent reactions and effects still raise some questions about this." There were indications, he said, that the problem of diversification out of the dollar had begun to loom larger in the minds of market participants than financing the deficit, and also the U.S. economy has shown no signs of slowing down. "Inflationary expectations are still stronger than the monetary brake," he commented.

Noting that, "the evolutionary process has not been working in a satisfactory or even acceptable way," he said that a new reform effort seems to be needed aimed at a more effective coordination of policies and greater stability of the dollar. "The best way to this end--and the only one in line with the agreed objectives of monetary reform as formulated in the Fund's Articles of Agreement--is to arrange for a voluntary substitution system of SDRs for dollars," he said. "Other alternatives for the dollar as a reserve asset have obvious disadvantages."

PAUL WITTEVEEN, the son of the former Managing Director and Mrs. Witteveen, died on February 23 at the age of 21. As the Deputy Managing Director said in a note to members of the Executive Board and Department Heads, Paul had been diagnosed in the latter part of 1976 as having Hodgkin's disease, a form of cancer of the lymph system. After a series of chemotherapy treatments which reflected the most advanced treatment of this disease, it was found in May 1978 that Paul no longer exhibited symptoms of the disease. However, the disease reappeared a few months later.

THE STAFF RELATIONS SECTION IS ALWAYS AVAILABLE to help staff members and their families. Many of the activities of the Staff Benefits Division, under the direction of Ronald J. Powell, are familiar; others may be less so. This article highlights the work of the Staff Relations Section of the Division. On another occasion Staff News will feature the work of the Personnel Records Section of the Division, which also has an important role in matters of concern to the staff.

Annette Loe-Sack-Sioe and Patsy Coffey are the Staff Relations officers, and they may be contacted at any time, particularly in an emergency. Ms. Coffey, formerly the Administrative Officer in the Central Banking Service, joined the Staff Relations section January 2, succeeding Sylvia Hudson upon her retirement. (Our photograph, above, shows, from left to right, Kathy DeBoe, Rosemary Eory, Dinah Ayensu, Annette Loe-Sack-Sioe and Patsy Coffey, all of the Staff Relations section.)

One of the services offered by the Staff Relations Section is that of assisting staff members with their personal and financial problems, on a confidential basis. While the Staff Relations officers may not always be in a position to offer a solution to a problem themselves, they can direct staff members to the right person or place to obtain help. In the event of serious illness or hospitalization, Staff Relations personnel stand ready to help staff members and their families. The office also investigates Workmen's Compensation Insurance claims, i.e., service-connected illness or injury at headquarters or while on official travel, and accordingly needs to be informed of all such incidents as soon as they occur or upon return to Washington if they occur while on a mission. In addition, the Staff Relations Section serves as the recruiting agent in the Fund for the Red Cross Blood Donor Program and as liaison with Health Room services and also keeps lists of recommended physicians and dentists and various services offered in the Washington area.

On the subject of staff benefits, salary advances for settling-in, housing, furniture, education of staff members and of college-age children, and for urgent and personal reasons are administered by Staff Relations officers. Upon joining the Fund, each staff member is individually briefed by Staff Relations on the medical and health insurance benefits offered by the Fund. While the John Hancock Mutual Life Insurance Company administers the Fund's Medical Benefits Plan and underwrites the Group Life Insurance Plan, the Staff Relations office handles membership in the plans and may be contacted whenever there is a question related to coverage.

The Staff Relations office handles G-IV and G-V visa matters, including work authorizations for G-IV spouses and dependent children.

The use of the exercise facilities on the concourse level is coordinated by Staff Relations personnel, who helped arrange the Cardiovascular Exercise Program as well as the Cardiopulmonary Resuscitation Program (CPR), through which a trained volunteer is available on every floor in the building in case of cardiac/respiratory arrest.

With regard to social matters, Staff Relations handles BWRC membership, helps with the arrangements for the Annual Picnic at Bretton Woods and the Fund Christmas Party, organizes the annual New Staff Tea and prepares the monthly Calendar of Events, which provides staff members with a schedule of the activities of all Fund/Bank clubs.

Staff Relations provides consumer information and maintains the bulletin board located near the Snack Bar on the concourse level, which is a valuable service for staff members interested in buying or selling cars, household furnishing and miscellaneous articles; buying, selling, renting or subletting a house or apartment; offering or seeking tutoring, babysitting or housecleaning help. Anyone wishing to post an announcement of this nature may list the pertinent details on two 3 x 5 cards, including their own name and extension, and send them to Staff Relations, Room 6-320.

Now that you know the many ways in which the Staff Relations personnel can help, do not hesitate to call on them when you need to (ext. 73025).

NEWSPAPER AND MAGAZINE SUBSCRIPTIONS are one of the major responsibilities of the Joint Library. The Library handles approximately 5,000 subscriptions to newspapers and magazines, plus thousands of government periodicals received free of charge from member and nonmember countries. Work used to be done by hand, from receiving a subscription requisition, to finally processing it for payment and eventually routing the periodical to staff members to read in their offices. In 1977, Data Processing Division and the Library began work on developing a computerized system to do the bulk of the work. Because of many peculiarities of the Library periodicals' work, such as subscription payments in currencies other than U.S. dollars, and the addition of the Data Base Management System to the Burroughs 7700 computer, it was decided to design and build the system within the Fund.

The system has now been operational for some time, and is saving countless working hours by automatically typing out purchase orders, issuing checks for subscription payments, and producing reports which could not be compiled manually. As a result, the important record retrieval function has improved considerably. At the touch of a keyboard combination it is possible to find out, for example, the exact number newspapers sent to a Fund department, the number of newspapers and magazines that come from a given country, or how much a given department might be spending on periodicals. In less than two minutes, Staff News was able to discover that the Fund daily receives 150 copies of the New York Times at an annual cost of $15,000; 99 copies of the Wall Street Journal at an annual cost of $5,000; and 28 copies of the Journal of Commerce at an annual cost of $7,000. The Library handles 115 annual subscriptions to the weekly The Economist, for the Fund at an annual cost of $65.00 per subscription. A subscription by air to a single newspaper can climb up to $1,500 a year. Inquiries about current titles of periodicals from a given country, and whether or not the Library is subscribing to them, can now be processed speedly and accurately. The Library shares the use of the Joint Bank/Fund Borroughs 7700 computer, located on the concourse level. The computerized system for periodicals is in addition to the OCLC cataloging system described in our previous issue of Staff News. (Our photo shows Marie Keech and Gregory Mordin operating the periodicals' system.)

HORST UNGERER, COLETTE LEROY, AND JANOS SOMOGYI won high honors recently at the annual photographic competition sponsored by the Greater Washington Council of Camera Clubs (GWCCC). Mr. Ungerer won a bronze medal for his photograph "Farm in Autumn" and honorable mentions were awarded to Colette Leroy for her photos "Mosque in Cairo" and "Acrobats II," and to Mr. Somogyi for his picture "Sunset at Farm." The gold medal in the competition was won by Alan Green of the World Bank. Mr. Green also received an honorable mention, as did Michael Wishart of the World Bank. Altogether it was a very fine performance by members of the International Camera Club.

ICC members are also reminded that the GWCCC is sponsoring its fifth annual photographic seminar workshop on March 24 at the Albert Einstein Senior High School in Kensington, Maryland. For more information on the various topics which will be covered in the seminar, please contact Carlos Gavino, ext. 75709.

THE ANNUAL PHOTOGRAPHIC EXHIBITION of the International Camera Club will be held in the Atrium beginning March 12, with a formal opening and judging of works on display that evening. No fewer than 150 color and black and white prints will be on display and all staff members, their families, and guests are welcome to attend the opening.

EIMAR AVILEZ, technical assistant to Alexandre Kafka, was mentioned recently in O Globo of Rio de Janeiro as one of the first Brazilian economists to have been invited to rejoin the staff of the Central Bank of Brazil, where he will become General Manager under the new Bank President, Carlos Brendao. The paper commented that Mr. Kafka may well regret losing Mr. Avilez, who had been his Technical Assistant for four years. The Jornal do Brasil and other Brazilian papers also noted Mr. Avilez' appointment. Mr. Avilez said that he had studied and worked in the United States for more than seven years and thought it was now appropriate to return to his own country. During his period in Washington, he completed course work requirements for a Ph.D. in Economics at the George Washington University and is now looking forward to working with Mr. Brendao on Brazilian monetary policy. He will be replaced as Technical Assistant by Roberto Novaes de Almeida, who joined the Western Hemisphere Department in July 1978.

20 YEAR STAFF. In February, Mr. Joseph D. Harrington, Administration Department and Mr. Joseph G. Keyes, African Department, commemorated twenty years of service with the Fund.

BABIES. A daughter, Clara, was born on August 28, 1978 to Mr. and Mrs. Vicente Galbis; a daughter, Annelies was born on September 25, 1978 to Mr. and Mrs. Luc H. De Wulf; a daughter, Cristina, was born on October 7 to Mr. and Mrs. Richard Miller (Rosalia); a son, Christopher, was born on November 11 to Mr. and Mrs. Thomas E. Martin (Olga); a son, Emre, was born on December 19 to Mr. and Mrs. Baydar Gurgen (Emine); and a daughter, Annie Kavitha, was born on January 12, 1979 to Mr. and Mrs. Rajaseelan Sampson.

RESIGNATIONS IN JANUARY. Mr. Tomas Jose T. Balino, Mr. Abdelkader Benamara, Miss Laura Henderson, Ms. Cynthia K. Keller, Mrs. Florence Maffei-Sirel, Mr. Gert Meissner, Miss Jessica F. Miranda, Miss Corazon D. Montes, Miss Mary Ellen O'Brien, Ms. Dianne M. Slifer.

RACHAEL L. DILLON, Administrative Office, Fiscal Affairs Department, retired from the Fund at the end of January. A U.S. citizen, Mrs. Dillon joined the Fund in November 1948 as a stenographer in the Research Department, later becoming a secretary in the same Department. She joined the Legal Department in October 1950 and in May 1956 she became a secretary in the Office of the Managing Director. In May 1964, she transferred to the Fiscal Affairs Department as an Administrative Assistant, and was promoted to Administrative Officer in May 1967.

DANISH CONTEMPORARY ART is as worth sampling as the country's better known exports of cheese and beer, as was apparent from the Art Society's exhibition on view in the Atrium from February 1 through February 23. Held under the patronage of the Danish Ambassador, Dr. Otto Borch,--shown on the left in our photo with Ernst-Albrecht Conrad, Art Society President, and Niels Toft, Cultural Counsellor at the Embassy--the show included 50 works by 10 artists that make up a travelling exhibition arranged by the Press and Cultural Relations Department of the Ministry of Foreign Affairs. It also featured 10 works by Inge-Lise Koefoed, who is a sculptor as well as a graphic artist, and the creator of the porcelain relief that was the official gift of Denmark to the Kennedy Center, where it hangs in the Concert Hall lobby. Koefoed was represented in the Fund show by "Organic Landscapes," bold curves in black and white on textured paper that provided an interesting contrast to the detail and color of many of the other pieces in the exhibition. There was, of course, much diversity among the styles of the other artists: Leif Kath, Ole Folmer Hansen--whose bright silkscreens based on Scandinavian flags reminded some viewers of the Matisse cutouts--Arne Haugen Sorensen, Richard Winter--whose lithographs incorporated photography--Mogens Kolkjaer, Ole Sporring, Per Kirkeby, Paul Gernes, Poul Janus Ipsen, and Henrik Flagstad, whose black and white "zincographs" had an architectural element reminiscent of the work of M.C. Escher.

Next on the Art Society's schedule is an unusual exhibition of Japanese prints and master ceramics drawn from Washington area collections. This show will open on Thursday, April 19, and run through Friday, May 25.

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