STAFF NEWS

October, 1980

THERE WAS WIDESPREAD AGREEMENT AMONG GOVERNORS at the 35th joint Annual Meetings of the Fund and the Bank that the solution to the current difficulties facing the global economy is to be found in the pursuit of policies which continue to stress the fight against inflation. In order to help its members restore conditions for sustained economic growth by the mid-1980s, the Fund will play a larger role in balance of payments adjustment and financing. The Interim Committee endorsed a new guideline for Fund lending allowing members making substantial efforts to correct their payments problems to draw up to 600% of quota over a three-year period, not counting any drawings made under the compensatory financing and buffer stock facilities.

Assessing the results of the Meetings, Managing Director Jacques de Larosiere said the discussions were "useful and constructive (with) a remarkable degree of concensus" achieved on two major topics: the economic policies of members, and the role of the Fund.

The Interim Committee, which was chaired by Austria's Vice Chancellor and Finance Minister Hannes Androsch (photo bottom right) in the absence of Italy's Treasury Minister F.M. Pandolfi, who had to return home unexpectedly, was particularly concerned with worldwide inflation and the payments deficits of the non-oil developing countries. The Committee warned against any premature shift to expansionary policies, stressing there was "a great and urgent need" for more official development assistance.

Under the difficult global economic conditions, the Committee welcomed the work of the Board since Hamburg on how the Fund could play a larger role in current circumstances. To meet its members' needs for resources, the Committee urged the Board and the MD to make the necessary arrangements, as soon as possible, for Fund borrowing from various potential sources. This includes borrowing from the private markets, should such borrowing prove to be indispensible. It welcomed the steps already taken by Mr. de Larosiere towards arranging for borrowing by the Fund, but stressed that primary reliance should be put on members' quotas as a source of financing its operations. The Committee also endorsed the Board's plan to start work on the Eighth Quota Review. The Committee supported the establishment of a Subsidy Account for the SFF and urged the Board to give prompt consideration to whether the Fund could extend temporary financing to members affected by crop failures or sharp increases in world food prices, especially cereals.

PRESIDENT JIMMY CARTER WELCOMED GOVERNORS to the Annual Meetings on the opening day, telling the packed Plenary Hall that peace cannot be assured if hundreds of millions of people are offered no hope of escape from poverty and economic instability. He said that the Fund and the Bank can provide that hope. "You are rapidly adapting to new challenges. We support this process of change. The response to a changing world can best be charted within these institutions, acting in your own fields of competence and experience. Your work should not be diverted by extraneous political disputes.

"U. S. support of the Fund and the Bank reflects both our fundamental humanitarian principles and our economic interests. This meeting comes at a critical time for us all. The world has come to place enormous confidence in your judgement and in the work of the Fund and Bank. That confidence has never been misplaced. And I am certain that it will be even more justified in the future," Mr. Carter told the Annual Meetings.

The Chairman of the Meetings, Amir H. Jamal, Minister of Finance for Tanzania (photo bottom right), asked in his opening address how can the Governors of the Fund and the Bank help in resolving the global dilemma, illustrated time and again in the failure at formal international encounters between the North and the South. The Fund, he said, is engaged in meeting the immediate needs of economies of countries such as his own, and has begun to show a little flexibility. "As a sign of a beginning of a change that must be welcome, I do welcome it." But, Mr. Jamal asked, how does an IMF program, with its emphasis on demand reduction and an "incredibly short repayment" period answer to the needs of a developing economy?

"No one disputes the imperative of conditionality. But is it right to expect an underdeveloped economy to provide commitment for a multitude of indicators which cannot be organically interrelated in a way that makes sense in such an economy as it makes sense in an industrialized economy?" A plea needs to be made for changes in proceedures, for mobilization of significant low-conditionality facilities, and for adjustment of the time frame to deal realistically with the character and magnitude of members' needs. "These are initial steps which are needed today and tomorrow. We all know that the Bretton Woods arrangements have been overtaken by events,

"More basic changes are needed. These cannot be within the existing institutional framework because the decision-making processes, basic institutional attitudes and distribution of power within the Fund and the Bank are among the structures which need to be changed, in particular by entrenching effective participation and protection of the weaker economies while they are enabled to develop. I firmly believe that it is not beyond man's ingenuity to reconcile the political fact of 141 sovereign states with the attainment of a technically sound foundation on which a major reform of the world structure must be built," Mr. Jamal said.

THE FUND AND ITS RELATIONSHIPS with its developing member countries received considerable attention, both at the various sessions preceeding the Annual Meetings and in the Annual Discussions themselves. Major issues were reviewed by the Group of 24 Ministers, chaired by Nigerian Finance Minister S.M. Essang (photo bottom right). The Development Committee, under the chairmanship of Philippines Finance Minister Cesar Virata (photo top right) highlighted the severe difficulties of many non-oil developing countries, particularly the poorest.

The Fund's new approach of making resources available in larger amounts and over longer periods than in the past won widespread approval from the spokesmen from the developing world. But concern was also frequently expressed over whether such adaptations will be adequate to meet the needs of developing members in the difficult period immediately ahead, or whether, over the longer-term, the Fund will prove sufficiently supportive of the development effort.

TO MANY OF THE GUESTS ATTENDING THE ANNUAL MEETINGS, they are a time for socializing and renewing old friendships. For the delegates, they are a time of concentrated high-level discussions and the renewing of old, and the forging of new, alliances. For the many members of the staff who are involved, they are the culmination of many months of hard work, planning, and, in some cases, much frustration.

Planning for the meetings is now a year-round task -- indeed in various degrees, plans are now underway for all the meetings through 1984. To accommodate the more than 10,000 attendees, whether they be delegates, press or guests, a small army of staff arrange accreditation, book hotel rooms, make badges, distribute documents, to ensure that the whole operation runs smoothly. Overall responsibility for the preparation and functioning of the meeting is vested in the Joint Secretariat, headed by Bob Callis. He has a fulltime staff of six, and reports directly to the Secretaries of the Fund and the Bank. In addition, certain key officers have responsibilities at Annual Meeting times in addition to their regular duties. Fund Cashier Alex Governatori, for example, dons the cap of Local Transporation Officer during the time of the meeting, and Lucille Woodard, who for most of the year oversees the production of International Financial Statistics, becomes the Social Officer for the meeting during September. Yet others have duties which parallel, or are an extension of, regular duties. Ernie Klimonda, who runs the Fund's Transportation Office, expands his activities to include the needs of the meetings' participants.

It is difficult to describe a "typical" Annual Meeting, for there is no such thing. Each has something which sets it apart from its predecessors, and 1980 was no exception. Delays in mailings to participants and the situation surrounding the "Observers" combined to make life extremely difficult for those most deeply involved. Apart from the Joint Secretariat, the one place in the Fund most intimately concerned with the Annual Meetings is the Communications Division. Michael Dennison, in addition to running the Division, is Joint Secretariat Communications, Registration, and Credentials Officer. This is the hub around which the whole operation revolves. In August, letters were sent to all Members, Governors and Alternate Governors of both the Fund and the Bank, while a separate mailing was made to some 800 Special Guests. When responses began to come back -- first in a trickle and then a flood -- they were channeled to the Commu-

nications Division where the data received was processed uniformly and then distributed to the Hotel, Local Transportation, Social, and International Transportation Officers and to the Joint Secretariat. From this same data, registration cards, badges, delegation lists and the certified Governors pay lists are prepared. The badge operation, with the addition of photographs for the first time in Washington, has assumed gigantic proportions -- with more than 11,000 being prepared this year for delegations, staff, special guests and the press. The whole badge operation was coordinated by Bill Grundy (photo below right) of the Communications Division, with Joe Diana from Graphics supervising the camera crew, initially at Fund Headquarters to handle Fund and Bank staff, and then up at the Sheraton Washington Hotel for the other attendees.

Last year, for the first time, a micro-computer was used to prepare the delegation lists, and this year it was enhanced to give greater statistical information. It proved possible to identify, by date and flight number, delegates arriving at a particular point, and so expedite their entry into the U.S. In future, it is likely that the whole registration process will be automated.

The first port of call for anyone attending the Annual Meetings is the registration desk, where they are accredited, receive their badges, and pick-up invitations to the various social functions. This year, it was an adventure for all concerned -- the registration staff and the delegates. The Sheraton Washington has been completely remodelled since the meeting was last held there in 1978, and the unfamiliarity of the surroundings at first disoriented the staff as much as the delegates. But after a few days of getting confused, the hotel, reassumed its old, familiar pattern to staff, although there remained right until the last day many visitors who could not seem to reorient themselves.

Another first at a Washington meeting were signs prominently displayed in the registration area demanding, on behalf of the U.S. Secret Service, that all weapons be declared. Only a handful were so declared. At the peak, 29 staff members were manning the registration desk where many spent much of their time answering questions like whether travellers checks could be cashed in the hotel; where was the Cashier's Office; where to get the picture taken; did the wife need to come in person to collect her badge?

But of course it would be wrong to assume that registration was the only hectic area; it just seemed that way. Peggy Conlon and her staff in Hotel Accomodation handled the complex logistics of housing all the out-of-town delegates in their usual smooth and unflappable way. Gertrude Long and her staff worked round the clock to ensure the seemingly never-ending flow of documents, speeches, and press releases were prepared and then printed in the print shop established at the hotel under the supervision of Harold Clarke. The distribution of all this paper was speedily handled by Peggy Thompson and her team.

Invitations to the Chairman's reception, the Governors' dinner and the Kennedy Center concert were all put together and issued under the auspices of Lucille Woodard and her able crew of ladies.

The shuttle service used to ferry staff to and from the Sheraton and Fund headquarters and the cars welcoming delegates at the airports came under the watchful eye of Alex Governatori, and the logistics of parking and scheduling the limousines kept Alex and his staff busy through all hours of the day and night.

These are but brief sketches of some of the personalities behind the scenes at the Annual Meetings. They and their staffs are responsible for helping to ensure that all runs smoothly and, having put 1980 to bed, they are even now getting ready for 1981.

ERNEST STURC, the Director of the Fund's Exchange and Trade Relations Department when he retired in January, died on October 27.

Mr. Sturc joined the Fund at its founding in 1946, serving first in the Research Department, then in the European Department where he was appointed Deputy Director in 1954, and from 1965 onwards as Director of ETR.

Through most of his career at the Fund, Mr. Sturc devoted himself to the financial and economic problems of countries in Eastern and Central Europe, and the surrounding area, including Austria, Finland, Greece, Israel, Turkey, and Yugoslavia.

As a result of his deep understanding, not only of the countries' economies but also of their political constellations, his discretion, his wide knowledge of European history and sociology, as well as his outstanding technical abilities, he gained the confidence of Governments in the region. Thus, he played a major role in a number of vital policy breakthroughs which enabled these countries to move out of the constraints of restrictive economic policies in the direction of greater integration into the world economy. These included the Austrian and Greek devaluations of the mid-1950s, the fundamental economic reform in Yugoslavia in 1965, and the devaluation and financial liberalization in Turkey in 1970.

As Director of ETR, Mr. Sturc coordinated the Fund's assistance to developing nations, monitored the effect of exchange and trade restrictions on the world economy, and insured cooperation between the Fund and other international financial institutions.

Mr. Sturc was born and raised on his parent's farm in Czechoslovakia. He received his Doctor of Laws degree from the Comenius University, Bratislava, in 1938 and then studied economics at the University of Chicago until 1942 when he joined the Czechoslovak Information Office in New York. During World War II, Mr. Sturc worked to obtain support for the Allied cause both within occupied Czechoslovakia and among Czech and Slovak ethnic groups in the United States. A member of the Czech Government in exile, he served as Secretary to the Czechoslovak Delegation to the Bretton Woods Conference, and as a delegate to the 1945 San Francisco Conference where the United Nations Charter was signed.

Mr. Sturc became an American citizen after the Communist takeover of Czechoslovakia in 1948. He is survived by his wife, Hilda, his children, Marta Miller of New York, John Sturc of Washington, and a granddaughter, Lisa R. Miller. A Memorial Service is being arranged.

THE UNITED WAY CAMPAIGN in the Fund this year runs from November 4 through November 18. During that period canvassers working throughout the building will be in touch with each staff member to provide pledge cards and information.

This is an efficient effort, obviating the need for many separate collections by charitable organizations, and its benefits are said to touch one out of every three persons in the Washington area.

Retired members of the staff who would like to join their colleagues in this year's drive should telephone Staff Relations (477-3025) to obtain pledge cards and campaign material.

CAROLYN J. STERN, Acquisitions Librarian of the Joint Library, died on October 19 at Johns Hopkins Hospital after a long illness. Miss Stern, a U.S. citizen, joined the staff of the Joint Library in 1963. She is survived by her parents, Mr. and Mrs. W.J. Stern, her brothers Charles E. Stern and Robert P. Stern and her sister Marcie A. Stern.

FOR THE OFFICE OF EXTERNAL RELATIONS, the hub of any Annual Meeting is the Press Room. Journalists from all over the world, including representatives from the People's Republic of China for the first time in Washington, were housed in the vast exhibition hall situated immediately below the registration area and Plenary Hall.

The main focus of the press at the start of the meetings revolved around the situation regarding the Palestine Liberation Organisation and efforts to have observer status granted the PLO. But as the meeting progressed, the intriguing possibility of the Fund borrowing in private markets for the first time, the uncertain global economic situation, and the flow of Governors' speeches combined to push the PLO issue into the background, so that when the Joint Procedures Committee finally decided to refer the question of observers to a special committee of Governors, it came as somewhat of an anticlimax for most of the reporters.

A near-record 683 press badges were issued this year, and the Annual Meetings attracted the cream of the world's financial journalists from here in Washington, New York, London, Zurich, Paris, Bonn, Frankfurt, Tokyo, Johannesburg and Singapore.

OER staff, some of whom are pictured right, ensured the assembled journalists got speeches as they were delivered, answered uncounted questions, produced at least two editions of the Morning Press each day, kept Management and delegations in touch with the latest news developments, and generally offered advice throughout the hectic proceedings.

All the major global news organizations like the wire services -- AFP, AP, UPI, and Reuters -- set-up transmitting facilities in the press room, complete with video terminals, mini-computers, and teletype machines. Many of the American news organizations used portable facsimile equipment to relay their copy back to their newsrooms, while the major common carriers -- ITT, RCA, TRT, and Western Union International -- were kept busy transmitting copy to all parts of the globe, even providing facilities for those correspondents who wanted to punch their own transmission tapes.

"STONE AND DUNE" was the title of the exhibition of paintings, drawings and silkscreen prints by the artist Yuko Nii which were on show in the Atrium between October 9 and October 31. Ms. Nii's large canvases, each painted in a delicate pontilliste style which radiates harmony and light, emphasize the earthy subject matters of large stones or pebbles and sand dunes. Ms. Nii who was born in Japan, but has studied and worked in the U.S., recalls that her choice of subject matter was not a clear-cut concious one, but rather an intuitive response to her deep inner feelings. She sees stone as concealing a deep mystery to which she personally feels close, while sand is the final stage of the stone-making process, shaped by nature into dunes.

Ms. Nii has exhibited widely in the New York area and in Tokyo, but her show at the Fund was the first in the Washington area.

Our photograph left shows Ms. Nii with the Managing Director and Hans Gerhard, President of the Art Society, at the opening.

New Members of Fund Staff

Miss Lesley Allardice
U.K. - MED

Miss Laura Arias-Buentello
Mexico - SEP

Mr. Antero Arimo
Finland - EUR

Mr. Eric O. Bell
Jamaica - WHD

Mrs. Lorna M. Campbell
Jamaica - ETR

Ms. Lily Cheng
Korea - ETR

Mr. Ulhas R. Gunjal
India - EP

Mr. Michael Hadjimichael
Cyprus - EP

Mrs. Valda E. Harvey
Jamaica - ETR

Miss Ngoc T. Le
Vietnam - BLS

Ms. Pamela J. Watson
Australia - RES

THERE WERE 22 MEMBERS OF THE FUND'S EXECUTIVE BOARD when it took office on November 1, with the number of elected EDs rising to 16 from 15 through the addition of an Executive Director elected by the People's Republic of China. The regular biennial election of Directors took place on October 1, during the Annual Meetings, and on this occasion, eight new EDs were elected and eight were re-elected. Six new Fund members participated in the election including Zimbabwe, which became the Fund's 141st member on September 29.

The new elected Directors are: Morteza Abdolahi of Iran succeeding Jahanagir Amuzegar of Iran; Ariel Buira of Mexico who succeeds Joaquin Muns of Spain; Juan Carlos Iarezza of Argentina who succeeds Francisco Garces of Chile; Semyano Kiingi of Uganda succeeding Festus Mogae of Botswana; Giovanni Lovato of Italy succeeding Lamberto Dini of Italy; M. Narasimham of India who succeeds S.D. Deshmukh of India; Jon Sigurdsson of Iceland succeeding Matti Vanhalla of Finland; and Zhang Zicun of the People's Republic of China. The eight Executive Directors who were re-elected were: Jacques de Groote of Belgium; Bernard J. Drabble of Canada; Mohammed Finaish of Libya; Alexandre Kafka of Brazil; Byanti Kharmawan of Indonesia; Samuel Nana-Sinkam of Cameroon; H.O. Ruding of the Netherlands; and Robert J. Whitelaw of Australia. Of the six new members who have joined the Fund since the last elections, Dominica, St. Lucia and St. Vincent will be represented by Mr. Drabble; Zimbabwe by Mr. Kiingi; and Cape Verde and Djibouti by Mr. Nana-Sinkam.

THE IMF RETIREES ASSOCIATION will hold an inaugural reception for Fund retirees and beneficiaries and their spouses in the Fund Atrium on November 24 from 6:00 p.m. to 7:30 p.m. There will be a charge of $5.00 per person to cover the cost of food, and a cash bar. Checks should be sent to Majorie Spelts, 4100 Cathedral Ave NW, Apt 619, Washington D.C. 20016. So far, the association has 160 members with replies still coming in. For further details, please contact Majorie Spelts.

THIRTY YEAR STAFF. In October, Miss Mary O. Price, Office of the Managing Director, commemorated thirty years of service with the Fund.

RESIGNATIONS. Mr. James E. Huyghebaert; Mr. Eliakim Katz; Mr. Peter Praet; and Mr. Stig Wanden.

MR. RICHARD A. RADFORD, Assistant Director of the Fiscal Affairs Department retired on September 30, taking early retirement. Mr. Radford joined the Fund's Research Department in 1947, and transferred to the Western Hemisphere Department in 1953 where he was appointed Division Chief in 1964. From 1973 until his retirement, Mr. Radford was Assistant Director in FAD.

MR. CHARLES O. OLSEN, Librarian, Administration Department, retired on September 30, taking early retirement. Mr. Olsen transferred from the IBRD to Fund in 1962 as Assistant Librarian. He was appointed Librarian in 1975.

MR. W. JOHN R. WOODLEY, Deputy Director of the Asian Department, retired on September 30, taking early retirement. Mr. Woodley joined the Fund in 1948 as an economist in the Research Department. In 1955 he joined the Exchange and Trade Restrictions Department where he held various appointments, being named Assistant Director in 1964. Mr. Woodley was appointed Deputy Director of the Asian Department in 1966.

SOME INFORMATION WAS inadvertently dropped from the article in September's Staff News on Mr. William M. Avery. The correct version follows.

MR. WILLIAM M. AVERY, Assistant Director, Administrative Services, Administration Department, retired on August 31, taking early retirement. Mr. Avery joined the Fund in 1946, and served in the Division of Material and Offices Services Section before moving to Administrative Services in 1955. In 1966, Mr. Avery was appointed Division Chief of Administrative Services and in 1970 was appointed Assistant Director. Mr. Avery's valuable contributions to Fund building projects include Bretton Woods Recreation Center and Phase IIa of Fund Headquarters.

THE IMF ART SOCIETY'S current exhibition opened in the Atrium on November 6, and runs through the end of the month. It features sculptures by three artists, Anne Currier, Eiko Fan and William Spencer.

LIKE MUCH OTHER LEGISLATION, the "Immigration and Nationality Act of 1980," of which the G-4 Bill is part in both houses of the U.S. Congress, is in suspense until Congress returns to work on November 12 after the elections. In the month or so thereafter which remains for pending legislation, there is a chance the bill will pass the Senate.

In the House, the position is less favorable. Sponsorship lies with Rep. Elizabeth Holtzman who wants to push the bill through under the "Suspension of Rules" procedure. This requires unanimous consent of the members of the House Subcommittee on Immigration, and one member of the Committee has announced his opposition. A meeting has been arranged with this member's staff to try to overcome the obstacle. Even then, there will be differences between the House and Senate versions of the bill, so that it will have to go to a joint conference before it can be reported back to the two houses, and, if passed, receive the President's signature before the inauguration of the next President in January.

The G-4 Coalition says that the important thing is to get the bill on the congressional calendar, which is controlled by the Leader of the House, Tip O'Neill. The Coalition asks that anyone who knows him to please use any influence they may have to get the bill on the House docket. Copies of the House, Senate, and State Department versions of the bill may be obtained from John Kay, Room 12-416, or phone Ext 74175.

STAFF **NEWS**

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