staff news
MAY / JUNE 1984

The Mount Washington Hotel in Bretton Woods, New Hampshire, was the birthplace of the Fund and World Bank.

THIS JULY MARKS THE FORTIETH ANNIVERSARY of the United Nations Monetary and Financial Conference, which paved the way for the establishment of the Fund and World Bank. Margaret Garritsen de Vries, the Fund's Historian, agreed to write an article for Staff News regarding that historic event. Mrs. de Vries, who recently visited the Mount Washington Hotel in Bretton Woods, N.H., on the occasion of a commemorative conference sponsored by the Federal Reserve Bank of Boston, writes:

"The Bretton Woods Conference of July 1-22, 1944, was one of the most successful conferences of the twentieth century and a landmark in world economic history. Even today we continue to marvel at the vision, determination, and idealism of those who created our twin Bretton Woods institutions.

"Years of planning preceded the Conference. Two proposals for the Fund were considered: the 'White Plan,' developed in the U.S. Treasury and named after Harry Dexter White, then Assistant to the Secretary of the Treasury; and the 'Keynes Plan,' developed in the United Kingdom by John Maynard Keynes. Initially made public in 1942, the plans had origins dating back to 1941 and precedents in the stabilization arrangements of the 1930s. By 1943 the plans had been reshaped--as both Keynes and White and their colleagues exchanged views--and alternative plans put forward by the French and Canadian authorities had been examined.

"On October 9, 1943, officials of the United States and United Kingdom issued 'The Joint Statement by Experts on the Establishment of an International Monetary Fund,'--a document that went through several drafts before being made final in April 1944. Then, prior to the full-scale conference at Bretton Woods, a limited--but still large--number of countries (16 plus the United States) were invited to send representatives to a preliminary drafting conference at Atlantic

John Maynard Keynes, one of the principal architects of the Fund, addressing the Conference.

City in the second half of June 1944.

"This much preparation is particularly impressive when we realize that all of this drafting and redrafting, exchanges of views, and meetings of representatives of several countries took place in circumstances when officials had to give primary attention to the war, when written and oral communication was difficult, and when international travel was slow and hazardous. But the desire of all concerned to reach agreement on the establishment of the Fund and Bank was so all-encompassing that the delegates to these meetings did not seem to mind the problems they encountered.

Chairman of the Belgian delegation Camille Gutt (left) confers with Andre Istel, of the French delegation.

"The Bretton Woods Conference was attended by representatives of 44 countries. Several of them crossed the Atlantic by ship—in itself a remarkable feat considering the wartime circumstances. On June 30 the delegates assembled at one of two points--Washington or Atlantic City--and from there the delegates boarded one of the two special trains that would take them on an all-night trip to the remote village of Bretton Woods in the White Mountains of northern New Hampshire.

"Henry Morgenthau, U.S. Treasury Secretary, who was Chairman of the U.S. delegation as well as President of the Conference, had wanted the meeting held at a resort hotel. At the urging of a U.S. Senator from New Hampshire, the Mount Washington was chosen. Named for the highest mountain peak in New England, the hotel is a large Y-shaped Spanish Renaissance-style stone and frame building, situated amid thousands of acres of mountains and streams. It was then--and still is--virtually the only structure in Bretton Woods.

"Closed for two years during the war, the Mount Washington was reopened for the conference. Unfortunately, the hotel lacked many conveniences; among the problems were insufficient office space, inadequate accommodations, rusty plumbing, and an inexperienced staff (which had to be supplemented by Boy Scout messengers and military personnel). But the scenery was magnificent and the recreational facilities were excellent.

"On Saturday, July 1, the delegates were welcomed by a statement from the

The typing pool was kept busy throughout the Conference.

U.S. President, Franklin D. Roosevelt--but read by the Secretary General of the Conference--underlining the urgent need for economic cooperation among nations to ensure postwar world prosperity. Participants were assigned to one of three commissions: Commission I on the Fund, headed by White; Commission II on the Bank, headed by Keynes; and Commission III on 'Other Means of International Financial Cooperation,' headed by Eduardo Suarez, Minister of Finance of Mexico. Plenary sessions went on all day as the nature of the provisions to be included in the Articles of Agreement of the Fund and of the Bank were debated and agreed. After these sessions, a drafting committee to write precise language began working each night at 9:00 p.m. The delegates were hard pressed to complete their work since their scheduled stay at the hotel was to end Wednesday, July 19. There was so much to do and so little time that for a while it seemed the Conference would adjourn without completing the proposal for the World Bank--for which plans had been less developed before the Conference than had plans for the Fund.

"As July 19 neared, Morgenthau and Keynes insisted that the hotel manager permit an extension, and after much fussing, a two-day reprieve was granted. The delegates could not use the hotel longer because the American Bankers Association was to begin its convention there on July 22. In retrospect, pressure on the delegates for this reason is a bit ironic since American bankers were among those who were most skeptical about the wisdom of establishing the Fund. But the delegates were determined to be successful. Mindful that they were meeting only a few weeks after D-Day in Normandy, they viewed their agreement on postwar plans for international economic cooperation as an essential show of strength that could be expected to lead toward a better, peaceful, and more prosperous world once the war was ended.

Chairmen of the delegations pose in front of the hotel.

The ballroom of the Mount Washington Hotel was occupied day and night as the delegates worked toward a common goal.

"By July 21, the delegates had succeeded in resolving many controversial issues and in drafting Articles for both the Fund and the Bank. Their work was far from finished, however. The 'magnificent blueprint' for this first experiment in economic internationalism had to be formally approved by enough governments to give life to the two institutions. 'We have to go out from here as missionaries, inspired by zeal and faith,' Keynes exhorted the delegates, while pointing out: 'We have sold all this to ourselves. But the world at large still needs to be persuaded'. Keynes, White, and the other delegates and technicians thus returned to their home countries to 'sell' their agreement.

Members of the Indian delegation during a break in the sessions.

"The planning and vision of all the delegates, their work, agreement, and salesmanship have been instrumental in immortalizing the name 'Bretton Woods.'"

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Countries represented at the Conference were: Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Iceland, India, Iran, Iraq, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Phillippines, Poland, South Africa, Union of Soviet Socialist Republics, United Kingdom, United States, Uruguay, Venezuela, and Yugoslavia.

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The Conference was attended by many public figures and prominent economists from around the world. A number of participants later became Governors, Executive Directors, or staff of the Fund or Bank. Following are the names of some of the participants: Dean Acheson, Antonin Basch, Pedro Beltran, Edward M. Bernstein, J.W. Beyen, George Blowers, Alice Bourneuf, G.L.F. Bolton, Richard Brenner, Aaron Broches, Octavio Bulhoes, Roberto Campos, D. Crena de Iongh, M.H. de Kock, Jean de Largentaye, Ernest de Selliers, Chintaman D. Deshmukh, Eleanor L. Dulles, Marriner S. Eccles, Abol Hasan Ebtehaj, Mordecai Ezekiel, Mahmoud S. El Falaky, Allan G.B. Fisher, Walter Gardner, Rodrigo Gomez, Camille Gutt, Alvin H. Hansen, Michael A. Heilprin, Ervin Hexner, John Maynard Keynes, Yee-Chun Koo, T.C. Liu, George Luthringer, Luis Machado, B.K. Madan, Leslie G. Melville, Pierre Mendes-France, Raymond Mikesell, Jan Mladek, Manuel N. Morales, Henry Morgenthau, Ragnar Nurkse, Andre Papandreou, Felipe Pazos, J.J. Polak, A.F. Plumptre, Louis Raminsky, Carlos Restrepo, Dennis Robertson, Lionel Robbins, Orvis Schmidt, Arthur Smithies, Ernest Sturc, G.F. Towers, Victor Urquidi, Kyriakos Varvaressos, Fred Vinson, Y.C. Wang, and Harry D. White.

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William B. Dale retires from the Fund.

WILLIAM B. DALE, Deputy Managing Director of the Fund, retired at the end of May after 21 years of service. He first came to the Fund on November 1, 1962, when he took up his duties as Executive Director for the United States. He was appointed Deputy Managing Director on March 1, 1974, following the retirement of Frank A. Southard.

As noted by the Executive Board in a "Resolution of Appreciation" adopted in his honor, Mr. Dale "contributed decisively to the development of Fund policies and practices that permitted the Fund to respond successfully to rapidly changing circumstances in a demanding period that was critical for the maintenance of the goals for which the Fund exists." Moreover, the Resolution continued, Mr. Dale "brought to his dealings with Executive Directors and staff alike invariable helpfulness, innate courtesy, and unequaled experience."

In a letter to the staff, Mr. Dale said: "I look forward to a rest and devotion for a time to long-needed private matters. Retirement from the pressures of one job has its own rewards. I am happy and content with my present situation."

[A Staff News interview with Mr. Dale begins on page 6.]

RICHARD D. ERB has been appointed Deputy Managing Director of the Fund for a five-year term, succeeding William B. Dale. Most recently, Mr. Erb was Executive Director of the United States in the Fund, a position he had held since July 1981. Born in 1941, Mr. Erb received his undergraduate degree from the State University of New York and his Ph.D. in Economics from Stanford University.

Richard D. Erb is the new Deputy Managing Director.

Mr. Erb has had a varied career both in government and in the private sector. He worked for the Board of Governors of the Federal Reserve System as Assistant to Governor Sherman Maisel, and in 1972 became a Staff Assistant to the President of the United States and Assistant Director of the President's Council on International Economic Policy. Mr. Erb joined the American Enterprise Institute (AEI) in 1975 under a Council on Foreign Relations International Affairs Fellowship and a year later left the Institute to serve as Deputy Assistant Secretary for Developing Nations Finance at the Treasury Department. Mr. Erb returned to AEI in 1977, as a Resident Fellow. While at AEI, he served as a Consultant to the U.S. Comptroller of the Currency and as Professorial Lecturer at the Johns Hopkins School of Advanced International Studies. Mr. Erb has also held positions with Arthur D. Little, Inc., and with Salomon Brothers in New York.

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JULY IS THE ONE MONTH OUT OF THE YEAR when Blue Cross/Blue Shield allows open enrollment in its medical insurance plan. This may be of particular interest to staff members with relatives who may not have been able to obtain medical insurance because of health reasons. During open enrollment, individuals may obtain medical insurance from Blue Cross/Blue Shield without having to provide evidence of good health; coverage will begin on September 1. For additional information, staff members should contact Blue Cross/ Blue Shield at 484-9100.

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SUMMER IS THE PEAK SEASON for salary advance requests for educational purposes, with the number of such requests reaching its highest level in late July and August. This "bunching-up" can result in unusual processing delays. These delays can be minimized if staff members submit applications to the Staff Relations Unit as soon as charges for tuition, room, and board are known and if they make sure that the required documentation with respect to the previous year's advance, if any, is in order. Please allow a minium of ten working days for processing.

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THE SECOND ISSUE OF THE WORLD'S WORD is hot off the press and is now ready for distribution to staff members of the Fund and Bank. As was the case with the previous issue, the new World's Word contains prose, poetry, and illustrations contributed by staff members of both organizations and by their families. The topics (which range from the mundane to the exotic) and the variety of languages in which the material is presented (Bengali, English, French, Italian, Portuguese, Spanish, Turkish, and Urdu) lend a true international flavor to this publication.

Interested staff members are invited to obtain their free copy of World's Word from either the World Bank Book Store (at the corner of 19th and G Streets), the newsstand in the Bank's "E" building, the Credit Union, the Joint Library, or the InFFO office (Room 1-528).

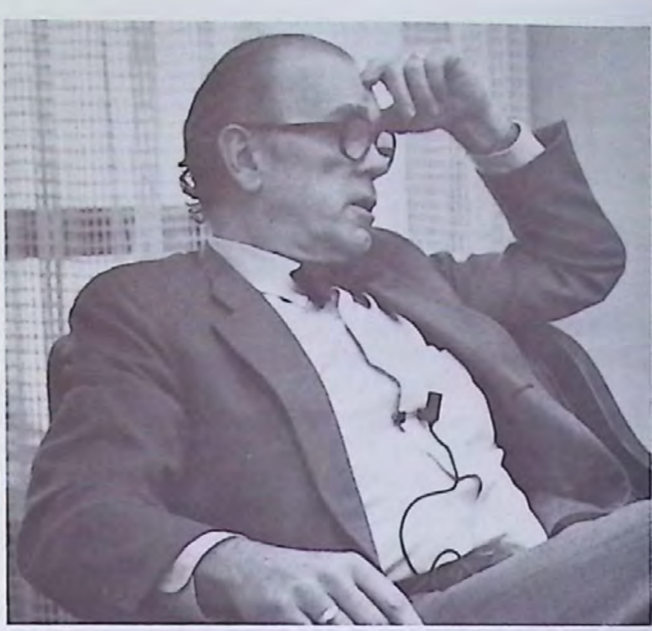
DEPUTY MANAGING DIRECTOR WILLIAM B. DALE retired at the end of May after more than 21 years in the Fund (see story, page 4). Staff News had the opportunity to chat with Mr. Dale in early July about some of his reminiscences and about a number of issues of current concern to the staff of the Fund. Following are some excerpts from that conversation:

Staff News: We wanted to start off with some staff issues. One of the things that occurred to us was that over the period when you have been in the Fund--and especially during your Deputy Managing Directorship--there have been quite a few reforms in the personnel system. For example, we now have the mobility program and the Ombudsman--that sort of general opening up of personnel practices. We wonder if you could comment on how you see that having changed the Fund as a workplace and on what further directions there might be worth exploring.

Mr. Dale: Well, I think it has made it a more modern workplace. There were no formal grievance procedures at all up until quite recent years, when first the Ombudsman and then the Grievance Committee were created in the Fund. Of course, this meant that in principle the staff really had no place to go except through the normal channels to get any kind of redressement of grievances it might have. So I think this has made--I hope it has made--a considerable difference to the staff in terms of feeling that they have a mechanism to use outside the normal channels. I have the feeling that the whole thing has been a very worthwhile operation. I don't see much in the way of further developments of that sort, although what of course is coming by way of further developments on the personnel side is the career streams exercise.

Staff News: How do you see that changing things?

Mr. Dale: Well, I think, hypothetically--if it works as is intended--it would es-



tablish career streams to give people a better feeling for what the possibilities are for their own development. It will give them a clarity that they haven't had in the past as to how far they can go--what the practical ceilings are for the kind of work that they do. But I think it's too early in the career streams exercise to know whether it's going to be a successful operation or not. We simply hadn't proceeded far enough at the time I left to have even the basis for a judgment. But hard work has been done on it --a great deal of hard work in the various career stream committees, in particular. So I hope it will prove to be the basis for a successful exercise that will give people the kind of certainty that they need about their careers.

Staff News: Do you feel that there has been any tendency to raise people's expectations about how far they can go, in particular when they come here in a noneconomist role?

Mr. Dale: Perhaps, perhaps. I do not have a good sense of whether that is the case or not, but it could well be.

Staff News: One of the things that we're confronting right now is some outside feeling that Fund staff is overpaid. Could you comment on how well you think this general issue of compensation has been handled?

Mr. Dale: I guess I've gone full circle and maybe full circle and a half on this matter of pay, in terms of how heated and emotional it got. When I first came as U.S. Director, pay was not a problem; it wasn't a political issue. In those early years, I would write a short memorandum about higher pay directly to the Secretary of the Treasury, and I invariably got the go-ahead; it was just no trouble.

It began to be a political issue in the '70s, during the Nixon administration. Precisely why it did, I cannot put my finger on, but it became an increasingly difficult issue and finally something had to be done because it became such a divisive issue--politically, among governments and in the staff of the Fund.

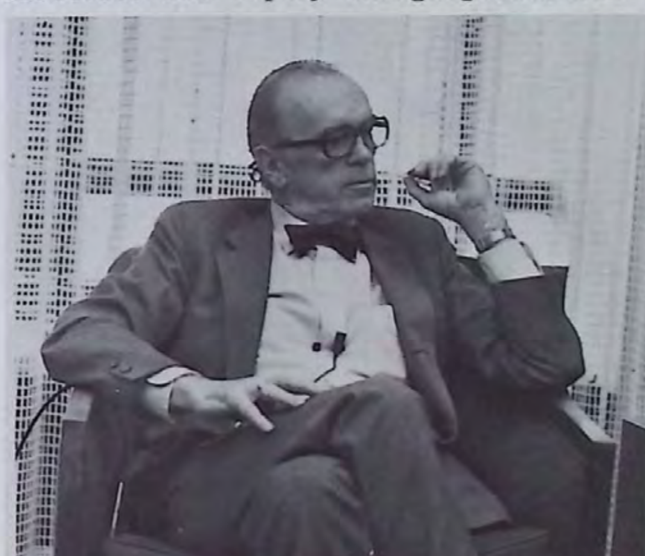
That was when the so-called Kafka Committee was established, completing its work in 1979, and we set up this procedure for making comparisons with the outside. In principle the comparison is, as you know, half private sector, half public sector in the United States, with a check on European countries--France and Germany--to see whether the U.S. comparison makes the Fund sufficiently competitive. That very dramatically changed everything. From being a very hot and very emotional and divisive issue, it became something that almost, up until perhaps this year, became routinized; all of this emotion went out of it. It was a major accomplishment, I would say.

Now whether this year for reasons that are not totally obvious it becomes again a divisive issue of course, one couldn't say. But it would be a great tragedy, I think, if it became anything quite as divisive and full of heat as it had during the years 1978-79.

I remember once when the Managing Director was away, and I was chairing the Board meeting when the 1978 pay increase discussion took place. This was in October for some reason, perhaps because it was one of those years when inflation was so high that we had two increases. At that meeting there was a tally of votes, and it was the closest vote in the history of the Fund. The pay increase went through by less than three-quarters of one percent of the voting power. That was the only really close vote, I think, in the history of the Board.

Staff News: You had some very nice things to say about the staff in the note that you sent to the staff in general. To what do you attribute the quality of the staff?

Mr. Dale: Well, there were some very great people I think, in the early part of the Fund's history, who insisted on quality and who set examples that I think still operate to this day. The Fund has always been intent throughout the administrations of all Managing Directors and Deputy Managing Directors--



and Boards for that matter--on keeping the organization small, responsive, and just top quality. And it's worked. If we had gone for quantity, I don't think we could have kept the quality that you find today.

Staff News: In that connection, you know that the staff works very hard. Do you feel that at some point, as the workload keeps increasing disproportionately to the staff size, the staff will have to be increased, just to allow people to lead

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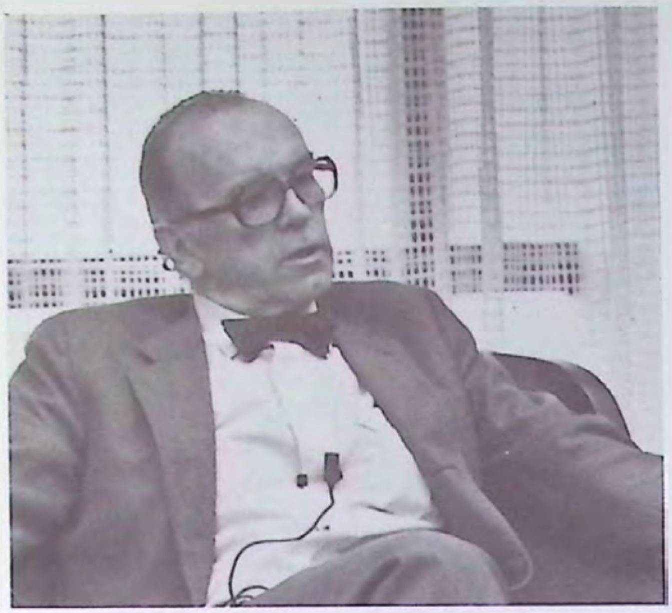

somewhat normal lives and to maintain a high quality staff?

Mr. Dale: Yes. I think of course there has been a small increase in the staff this year and last year. But one of the problems with an organization like the Fund is, first of all, its work is so unique that you just can't bring people from the outside into a lot of the jobs and have them fully effective at once.

One of the things I did worry about, and still worry about, is that in a sense, because people have to be broken in who come from the outside--whether they're at the beginning or the end of the range or in mid-career--in many places in the Fund it's almost as though people don't have time to train new staff to help them. It's now almost at that point...

Staff News: You mean, they feel that it's almost more trouble than it's worth.

Mr. Dale: Almost yes. That's the real problem; the staff is spread very thin. One has to hope and assume that that what we're seeing is a peak load situation. It's just an awfully long peak--that's the trouble. Of course, it has been going on this way for pretty close to two years now.

Staff News: Something related to that... When your predecessor, Frank Southard, retired in 1974, he gave a talk in the Atrium and made a special point of saying that the Fund had an important role in basic economic research. Do you share that view, and if so, do you feel the basic research that the Fund is able to do now suffers from the heavy operational load, or perhaps from the current emphasis on policy-oriented studies?

Mr. Dale: Well, it depends, of course, on what you mean by basic. I wouldn't say that the Fund should do much fundamental pioneering research--maybe on certain leading edges of thinking on monetary policy or something of that sort. While I agree on the importance of research, whether basic or applied, I don't think that, so far at any rate, the Fund's research has suffered because of either of the points you've mentioned--the heavy operational emphasis or just people being too busy.

I do think people are too busy, not so much to do research as to take the time to think things through all the time. That sometimes makes for inefficiency. But the kind of research I see as important for the Fund revolves around its role as a center for thinking and learning and for gaining experience on the way economies operate.

The World Economic Outlook project is an absolutely critical feature for the Fund. The WEO, the Annual Report, and documents of that sort should be of such a high standard that the academic, business, and financial communities can look to the Fund for a degree of expertise that virtually nobody else has. So I don't think the Fund has suffered too much as far as its research activity is concerned.

Staff News: Is there enough time taken to distill what the staff is actually learning from operational work as it goes along?

Mr. Dale: That is one area where perhaps the work has suffered. Now, having said that, I have to add in fairness that a lot more conscious effort is being made today than was true only two or three years ago. There are a lot more reviews of policy, performance, various elements of conditionality, and so on, and that started only several years ago. I think the process has built up a set of files, kind of a life of its own, that means that it's becoming quite productive.

Staff News: There's been a proposal made for some sort of an external monitoring of programs. Do you see a need or a possibility of that? Would it work?

Mr. Dale: No, I don't think it's a workable proposition. The Board is the Fund's, if you like, external monitor--it's external and internal at the same time. It's the Fund's quality control, so to speak; it's the Fund's external program audit function. If the Board does its job well--and I think by and large it does--I don't see the need for and I don't see the possibility of a so-called external auditor.

Staff News: To change the subject a bit, perhaps we can turn to the apparently unprecedented degree of criticism to which the Fund has been subjected by member countries over the past couple of years. The question has arisen as to whether this criticism has gotten to the point where it is eroding the Fund's effectiveness--making it impossible for the Fund to operate effectively because it has such a negative image. First of all, is that the case, and second, what should we do about it?

Mr. Dale: That's a really tough one. I don't think the nature of the criticism of the Fund has changed much over the years. It's gotten louder just because there are so many more cases of program countries than ever before. But the nature hasn't changed very much. I've always felt that the Fund was a kind of lightning rod.

We've got broad shoulders because we have to have broad shoulders, and part of the Fund's function is to attract criticism; it helps governments, I think, to do what must be done. I don't believe it's impaired the Fund's effectiveness, although it gets very unpleasant at times. But there's criticism and criticism, of course.

Thoughtful, knowledgeable criticism of the Fund by objective persons is comparatively rare. What you get is unthinking criticism of the kind which in effect boils down to saying "If Country A had all the money in the world that it wanted, why that would be fine and why doesn't the Fund arrange that?" Well, you know, we would if we could, but we can't.

Staff News: Do you think the Fund should attempt to answer critics?

Mr. Dale: Yes, more than we have in the past. Of course, we have been answering more than ever before. It's just that we started from practically never saying anything at all. Sure, I think one has to confront them, in a moderate sort of way--tell it like it is.

Staff News: Does it bother you that circumstance seems to have forced such an enormous emphasis on the financing role of the Fund, so that there seems to be an eclipse of some regulatory functions?

Mr. Dale: No, I don't find that bothers

me. I think the regulatory functions remain--and are recognized as remaining--extremely important, but it does happen that the financing has been critical during the last few years because of the debt problems and all the rest. No, that doesn't bother me.

Staff News: Do you think surveillance is beginning to take hold as a useful policy?

Mr. Dale: Yes, I think so. One will never be able to measure how much is accomplished by surveillance--inherently one just doesn't know, nobody knows. One can't, in the nature of things, know how much a country's policy is changed because of the views of the international community as represented in the Fund.

But it does make a difference and I think, in particular, I would feel that the big countries have given much more explicit support to the surveillance function of the Fund than I would ever have thought likely some years ago. I believe they're recognizing more and more that their own policies have to be changed to a degree by what's going on in the international community. Whether it changes much, you can never know for sure, but one has to hope.

Staff News: Do you see any prospects for monetary reform, and if so, what might be a reasonable timetable for such action?

Mr. Dale: Well, my own feeling is and has been for a long time that maybe the word "reform" doesn't give quite the right flavor to what is likely to happen. I see reform, if that's the word, being a gradual process--a process of change and adaptation of whatever is ready for change and adaptation at a given time. So it's kind of an on-going process of adaptation of the system to the requirements of the real world.

It should be a continual process, and I think in the Fund it pretty much has. What I don't personally see is the kind of building up to a second Bretton Woods, with some major shifts in the operation of the system in that connection.

Staff News: Can you see any things that can be done short of another amendment to the Articles of Agreement, things that would strengthen the system that might not be dramatic new agreements but further evolutionary steps?

Mr. Dale: Oh yes. Of course, the Second Amendment created a number of powers in the Fund. Most of them--unfortunately, I think--require an 85 percent vote. But I don't think that there is even any dramatic reform of the system that I can see that could not be accommodated within the present powers of the Fund, because the Second Amendment provided so many powers. There are not many things one thinks of that couldn't be done within the present Articles, so I think all the powers are there. The question is simply: "How does the international community operate within those powers to get the system to conform with what they would like?" For example, does the international community really prefer greater fixity--or viscosity, to use a Giscard-coined word--than we presently have? Well, if they do, there are ways to get there, but they require a lot of agreement and a lot of coordination of policy. Bretton Woods was a kind of a top-down system of fixity of exchange rates--everybody took the oath that they'd keep their rates fixed within a 1 percent margin and then they followed the policy that let that happen. The way it operates now, with the rates of inflation that up until recently were prevailing in the world, the only way you're going to get greater fixity of exchange rates is to bring inflation down and keep it down. That will be the policy coordination that would enable you to have greater fixity of exchange rates--provided you find a way to deal with a lot of other issues, like capital flows, interest rates, and so on.

Staff News: Where do you think the Fund will be at the turn of the century? Do you think it will still have a major role? Do you think it will be a much different organization? Would you care to speculate that far into the future?

Mr. Dale: Oh sure. Yes, I think it will continue to be important. I think it will have the same broad functions, probably, that it has now. I think, and hope, and trust that it will have as able a staff as it has now. It's very interesting that the Fund and the Bank got started in the middle of a war, as you know. Whether they could be reproduced without that kind of major change in the world is a nice question. The opening sentence of the official Fund history said, in effect, that the Fund was created in wartime, and it's doubtful that it could ever be done again. Of course we may be too much influenced by our present situation. The spirit of international cooperation is far less today than at any time, I would say, in my adult life. But it'll come back, I don't have much doubt, at some stage.

Staff News: To wind things up on a more personal basis, something that everyone at the Fund would be interested in is your own plans. What can you reveal to the staff about what you're going to be doing?

Mr. Dale: What I'm going to be doing? Not much. I've told myself I'm going to take at least three months off--that is until September--and I'm not going to think about what I'm going to do professionally until September. But I've got one sheet of paper over there that has 55 private projects on it that I'm working away at.

I just cleaned up and reorganized my workshop, for example. There are things I've been putting off for years and years in most cases, and I'll finally get a chance to spend some time doing them. I'll probably finish about the end of July, and then I'll figure out 55 more.

Staff News: So you won't have any trouble keeping busy.

Mr. Dale: Oh, no.

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A HEALTH AWARENESS PROGRAM is being introduced by the Medical Department in an effort to familiarize staff members of the Fund and Bank with topics of interest and new developments in the medical field.

The first presentation in the series will focus on Cholesterol and Heart Disease: the N.I.H. Study. It will be conducted by Diane Stoy, R.N., who is Operations Director of Lipid Research at the George Washington University Medical Center. The Medical Center was one of the participants in a 10-year nationwide study that was concluded three months ago (*Time* magazine ran a cover story on it at that time.) Many Bank and Fund staff members participated in the program.

The slide presentation will address trends in heart disease and will discuss cholesterol as a risk factor. It will take place on Wednesday, July 18, in the Eugene Black Auditorium of the Bank from noon to 1:00 p.m.

Future presentations will focus on current health issues as well as on subjects that are relevant from the point of view of the Bank and Fund staffs and their work. Staff members with suggestions for topics should contact the Medical Department.

THE IMF INSTITUTE celebrated the 20th anniversary of its founding with a reception held in the Atrium on May 8. The gathering was attended by more than 300 guests, including members of the Fund's management, Executive Board, staff, current IMF Institute participants, and some former participants who have since become members of the Fund's Executive Board or of the senior staff.

Gerard M. Teyssier, Director of the Institute, addressed the gathering. In his speech, he paid tribute to Pierre-Paul Schweitzer and Frank Southard, the two founding fathers of the Institute, and to the late Franz Keesing, who, as the first Director of the Institute (1946 to 1972), was instrumental in establishing its programs. Mr. Teyssier also expressed the gratitude of his staff to Management and the Executive Directors for their unfailing support and interest in the evolution of the Institute.

In his speech, Mr. Teyssier talked about some of the major changes that have taken place in the Institute in the last twenty years. The most radical changes, according to Mr. Teyssier, occurred when the Institute was merely eight years old. As he explained, the Institute used to be very small and, according to some, very academic. But just a few months after its eighth birthday, the Institute underwent a complete makeover. The most visible change was the transformation of the two-track system (conducting two simultaneous courses) into a three-track system. However, some fundamental decisions regarding the future of the Institute were also taken at that time. The most substantive decisions were to conduct courses and seminars at headquarters rather than abroad, to emphasize training instead of the development of research activities, and to adopt new approaches so as "to make participants participate."

As Mr. Teyssier explained, prior to the "overhauling" of the Institute, the courses consisted primarily of lectures--a method of teaching that was somewhat tedious for the participants. In its efforts to increase interaction between participants and staff and to make the courses more pragmatic and useful while exposing the participants to "reality," the Institute decided to introduce a series of workshops on financial programming for a Fund member country. This method of instruction was not only very well received by participants but was also welcomed by Institute economists. As Mr. Teyssier noted, one by-product of the new approach was to make the work of Institute economists more active and stimulating, encouraging them to follow the adage, "one does not need to be obscure in order to be profound."

Turning to the present program and fuure plans, Mr. Teyssier announced that in 1984 the Institute will conduct 11 courses and three seminars on the three-track system, plus five seminars in member countries. For 1985 and beyond, the Institute plans to introduce courses in Arabic and to expand into a four-track system.

The success of the Institute's approach is attested to by the increasing demands for training from member countries: In the past 20 years the Institute has trained more than 4,000 participants, and the Fund has gained many friends. As Mr. Teyssier acknowledged, the ability of the Institute to provide first-rate technical assistance to member countries reflects, to a large degree, the quality of the Institute staff, who are not only hard-working and dedicated but also unfailing in their enthusiasm to assist the participants in every way. But, he continued, part of the credit also has to go to all Departments and Bureaus in the Fund, especially to the Fiscal Affairs Department and the Bureau of Statistics.

Mr. Teyssier's speech ended on a light note when he promised his audience that, on the occasion of the 40th anniversary celebration--in the year 2004--he would deliver a much shorter speech.

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FINANCE & DEVELOPMENT celebrated its 20th birthday in June. In the process of becoming what it is today, the quarterly journal has lost part of its name (it was originally The Fund and Bank Review: Finance and Development) and acquired four new languages. Initially published in English, French, and Spanish, the German edition of F&D made its debut in 1970; a quarterly Arabic edition was begun in

New Members of the Fund Staff

Eric V. Clifton
RES - U.S.A.

Julius E. David
SEC - India

Haimanot Getachew
OED - Ethiopia

Judith Harris
OED - U.K.

Claudia M.T. Hess
TRE - U.S.A.

Sherine S. Hoole
ASD - Sri Lanka

Gumersindo Oliveros
ETR - Spain

Winfried Rudek
BUR - Fed. Rep. Germany

Gisela Ulmschneider
WHD - Fed. Rep. Germany

1980. F&D also produces quarterly editions in Portuguese and it has recently begun publishing an annual selection in Chinese (this will become a regular quarterly edition in March 1985). With a total quarterly circulation of over 121,000 and an estimated readership of almost half a million, F&D plays an important role in the efforts of the Fund and Bank to inform the general public about the activities and policies of the two organizations and about current economic issues in general. As the Managing Director noted in a message included in the June 1984 issue of F&D: "The issues that the Fund staff address in the journal emerge from their research and their operational work, which is done in connection with the Fund's relations with its member countries. These issues are often complex and require careful explanation. F&D has regularly contributed to this effort by analyzing and elucidating them for a worldwide audience."

The proposal to create a periodical that would be informative and yet not very technical originated in 1963 with then Deputy Managing Director Frank A. Southard. He recalls that at the time, "the Fund was not reaching persons such as governmental officials, bankers, journalists, and students who were unlikely to read the existing publications." With this in mind, he proposed the creation of a new Fund publication that would be directed toward a more diverse audience. As Mr. Southard points out: "Initially, the proposal was for a Fund publication, and the early planning was on that basis. But when use of a speech in the proposed journal by the then President of the World Bank, George Woods, was mentioned to him, he expressed a strong desire for the Bank to be associated."

Once a cooperative approach was agreed to, the two organizations proceeded to set up a Joint Fund-Bank Committee and select a group of Advisors. J. Keith Horsefield (who was Chief Editor of the Fund and who later wrote and edited the first Fund history) was assigned the task of searching for an editor who would get the journal off the ground. The late John Scott, a national of the United Kingdom, was selected; he remained in the post until 1974, when he was succeeded by Ian Bowen of Australia. Samuel I. Katz of the United States became editor of F&D in 1977 and held the position until 1982, when Bahram Nowzad, a long-time staff member of the Fund and the present editor of F&D, took over.

TWENTY-YEAR STAFF. Margaret E. Cusak of the Administration Department commemorated 20 years of service with the Fund in April. In May, Cornelia J. Ernst of the Bureau of Language Services and Tsunako Okumura of the Office of Executive Directors commemorated 20 years of service.

MARRIAGES. Anoop Singh of the Asian Department married Sujata Puri on April 8; Vivian Gray of the IMF Institute married Richard N. Shinberg on April 21; Philippa F. ffrench-Mullen of the Office of Executive Directors married Kevin T. Maroney on April 28; and Hector F. Avila of the IMF Institute married Nancy L. Wolfe on June 24.

BIRTHS. A son, Philip, was born on February 24 to Winnie Chou and Austin C.T. Hu; a son, Ken-Ichi, was born on March 25 to Mr. and Mrs. Hiroyuki Hino; a daughter, Jacqueline Taaka Madangu, was born on April 25 to Mr. and Mrs. James Ogoola; a son, Jonathan, was born on April 26 to Chee Sung and Nansihud Lee; a son, Peter R. was born on April 27 to Mr. and Mrs. Rifaat K. Basanti; a son, Samier Ahsan, was born on May 19 to Mr. and Mrs. Ahsan H. Mansur; and a son, Kevin Mathew, was born on May 25 to Mr. and Mrs. Michael Fitzpatrick.

RESIGNATIONS. Margaret Boesch, Daniel Douez-Smith, Patricia L. King, Norbert Toe, and Edward E. Walden resigned from the Fund in April. In May, John Phillip Lipsky, Shirley A. Luck, Patrick A. Saari, Mahshid Shizari, and Danielle Thamie-Brard resigned from the Fund.

RETIREE. E. Walter Robichek retired from the Fund in May.

staff news

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DEATH OF RETIREES. Andrew N. Overby, who was Deputy Managing Director of the Fund from 1949 until 1952, died on April 28; Jeanne O'Connor, who retired from the Secretary's Department in August 1960, died on May 17; and Ali Bengur, who retired from the African Department in March 1974, died on June 12.

TRANSFERS. The following staff members transferred in April: Leyla U. Ecevit, from RES to INST; A. Mullor-Sebastian, from INST to RES; Carlos E. Alfaro, from FAD to INST; Maria Eugenia David, from OED to FAD; Sylvie Durand-Jansiac, from AFD to EUR; and Anne Johannessen, from EUR to CBD. In May, the following staff members transferred: Jeanne Bouffier, from BUR to BLS; Alain Coune, from ADM to BCS; Judith Crillo, from FAD to ADM; Luis Eduardo Escobar, from TRE to WHD; Walter E. Hermann, from EUR to TRE; Padej Sukachevin, from ETR to BUR; John Calvin Williams, from OED to AFD; Ada J. De Korver, from SG to AFD; Yanick Georges, from AFD to SG; Youn-Ja P. Kim, from FAD to ADM; Maha A. Sabi, from AFD to EUR; and Norma S. Samson, from LEG to SEC.

STAFF MEMBERS WITH DOMESTIC HELP are reminded that all questions regarding medical insurance for their G-IV employees should be addressed to Maria Soledad Wood of the Bank/Fund Employers Association. She can be contacted at extension 72282. Ms. Wood has asked us to remind staff members that calls should be made only between 2:00 p.m. and 4:00 p.m.

REMINDER. Staff members who wish to have birth and marriage announcements included in Staff News should send a short note to the Editor, Room 10-548. For birth announcements, please include the full name of the child and of the spouse, as well as the date of birth. For marriage announcements, please include the staff member's Department, date of marriage, and full name of spouse.

Photo captions: pp. 2 and 3, Leo Rosenthal Pix and National Archives; pp. 4 and 5, Joseph Diana; pp. 6 and 7, 10-12, 15, Robert Townsend ; pp. 8 and 9, Denio Zara and Robert Townsend;