

EURAI Subject Files
Box 260 **File** 1

RM 1992-0183-0001

#593252



THE INTERNATIONAL MONETARY FUND ARCHIVES

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- ☐ Records acquired by the Fund by Third Parties, including Member Countries, with security classifications of 'CONFIDENTIAL' or above. (Declassification can be requested)
- ☒ Other sensitive nature: BoG

Archival Ref No.:	593252
File Title & Dates:	Annual Meetings - Correspondence (Berlin), 1988
Fonds:	European Department Records, 1946-1994
Sous-fonds	European Department Immediate Office Records, 1946-1994
Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-09-16
TYPE	Shipping log
TO	n/a
FROM	n/a
SUBJECT/TITLE	Shipment record
NO. OF PAGES	1
AUTHORITY	Board of Governors
LANGUAGE	English

European Country Documents

SM/88/110	Australia - Staff Report
SM/88/120	Australia - RED
SM/88/73	Austria - Staff Report (Interim)
SM/88/75	Belgium - Staff Report
SM/88/79	Belgium - RED
SM/88/171	Cyprus - Staff Report (Interim)
SM/88/77	Denmark - Staff Report
SM/88/81	Denmark - RED
SM/88/138	Finland - Staff Report
SM/88/144	Finland - RED
SM/88/182	France - Staff Report
SM/88/199	France - RED
Buff 88/137	Germany - Statement by Mr. Grosche on Board meeting
SM/88/136 + Sup.1	Germany - Staff Report
SM/88/143 + Sup.1	Germany - RED
SM/87/185	Greece - Staff Report
SM/87/228 + Sup.1	Greece - RED
EBS/88/47 + Sup.1	Hungary - Staff Report and Request for Stand-by
SM/88/62	Hungary - RED
EBS/88/174	Hungary - Review Under Stand-by Arrangement
EBS/88/114	Iceland - Exchange Arrangements
SM/87/289 + Sup.1	Iceland - Staff Report
SM/88/14	Iceland - RED
SM/88/169	Ireland - Staff Report (Interim)
SM/88/114 + Sup.1	Israel - Staff Report (Interim)
SM/88/22 + Sup.1	Italy - Staff Report
SM/88/34 + Sup.1	Italy - RED
SM/87/136	Luxembourg - Staff Report
SM/87/146	Luxembourg - RED
SM/88/164	Malta - Staff Report
SM/88/197	Malta - RED
SM/88/11	Netherlands - Staff Report
SM/88/20	Netherlands - RED
SM/87/242	Netherlands Antilles - Staff Report
SM/87/244	Netherlands Antilles - RED
SM/88/115	New Zealand - Staff Report
SM/88/128	New Zealand - RED
SM/87/145	Norway - Staff Report
SM/87/157	Norway - RED
SM/88/175	Poland - Staff Report
SM/88/184	Poland - RED
SM/88/146	Portugal - Staff Report
SM/88/152 + Sup.1	Portugal - RED
SM/87/174	Romania - Staff Report
SM/87/197	Romania - RED
SM/88/186	South Africa - Staff Report
SM/88/200	South Africa - RED
SM/88/69	Spain - Staff Report
SM/88/95	Spain - RED

Massimo Russo
Director
European Department
International Monetary Fund

SM/88/149	Sweden - Staff Report
SM/88/153	Sweden - RED
SM/88/140 + Sup.1	Turkey - Staff Report
SM/88/150	Turkey - RED
SM/88/28	United Kingdom - Staff Report
SM/88/38 + Sup.1	United Kingdom - RED
SM/88/273	Yugoslavia - Report on External Debt Renegotiation
SM/87/187 + Sup.1	Yugoslavia - Staff Report under Enhanced Surv.
EBS/88/89	Yugoslavia - Letter of Intent
+ Sups. 1-5	Yugoslavia - Staff Report and Request for Stand-by
SM/88/109	Yugoslavia - RED

Miscellaneous

Kettle
Tea bags
2 mugs
WordPerfect Instruction book
Invitations
Visitors and Special Guest Lists
Advisory Committee Meeting folder

Policy and Non-European Country SM Documents

SM/87/151	Publication of Paper on Theoretical Aspects of the Design of Fund-Supported Adjustment Programs
SM/88/39 + Sup.1	Annual Review of the Implementation of Surveillance and Biennial Review of the Document Entitled "Surveillance over Exchange Rate Policies"
SM/88/53	Fiscal Aspects of Fund-Supported Programs
SM/88/59	Official Multilateral Debt Rescheduling: Recent Experience
SM/88/61	Issues in the Reports of the Group of Ten and Group of Twenty-Four on the Role of the Fund - Progress Report on the Status of Work
SM/88/148	Enhanced Structural Adjustment Facility (ESAF) - Operational Guidelines for the Staff
SM/88/158	European Communities (EC) - New Directive on the Liberalization of Capital Movements
SM/88/160 + Sup. 1	United States - Staff Report
SM/88/162 + Sup. 1-3	United States - RED
SM/88/163	International Liquidity and the Role of the SDR
SM/88/166 + Sup. 1-3 + Corrs.	Trade Policy Issues and Developments
SM/88/167	The Industrial Policies of Industrial Countries and Their Effects on Developing Countries
SM/88/176	International Banking Activity in the First Quarter of 1988
SM/88/180	World Economic Outlook - Statistical Appendix
SM/88/181 + Cor. 1	World Economic Outlook - Annexes
SM/88/183	International Coordination of Economic Policies
SM/88/194	Exchange Rate Arrangements Maintained by Members as of June 30, 1988

Policy and Non-European Country EBS Documents

EBS/88/5	Issues in the Debt Strategy
EBS/88/6	The Implications of Fund-Supported Adjustment Programs for Poverty - Experiences in Selected Countries
EBS/88/7 + Sup.1	Reconsideration of the Extended Fund Facility
EBS/88/13	Legal Effects of Approval or Nonapproval of Exchange Restrictions by the Fund
EBS/88/20	Review of the Compensatory Financing Facility - Further Considerations
EBS/88/30 + Sup.1	External Contingency Mechanisms in Fund Arrangements - Preliminary Considerations
EBS/88/49	Review of the Fund's Liquidity and Financing Needs
EBS/88/50	Conditionality - A Survey of Current Issues
EBS/88/51	The Use of Limits on External Debt in Fund Arrangements
EBS/88/55	Management of the Debt Situation - Developments, Issues, and Role of the Fund
EBS/88/65 + Sup.1	The Policy Framework Paper (PFP) - Seminar on the PFP and Aid Coordination and Related Issues
EBS/88/95	Extended Fund Facility and Policy on Enlarged Access - Amendments
EBS/88/98	Information Note on the Secondary Market, Mexican Debt Exchange and Bolivian Buy-Back
EBS/88/100	Modalities for the Compensatory and Contingency Financing Facility
EBS/88/123	Overdue Financial Obligations to the Fund
EBS/88/124	Overdue Financial Obligations to the Fund - Statistical Background and Existing Fund Policies
EBS/88/126	Brazil - Stand-by Arrangement - Letter of Intent
EBS/88/128	Draft Decision Relating to Compensatory and Contingency Financing

EBS/88/129	Structural Adjustment Facility - Third-Year Access
EBS/88/137	Policy for IBRD Loan Loss Provisioning - President's Memorandum
EBS/88/146 + Sup.1	Proposed Decision Relating to the Compensatory and Contingency Financing Facility
EBS/88/150	Enhanced Structural Adjustment Facility - Proposed Prescriptions of Operations in SDRs
EBS/88/157	Access Limits for 1989 - Preliminary Policy Considerations
EBS/88/158	Review of Access Limits for the Buffer Stock Financing Facility for 1989
EBS/88/159	Issues in Managing the Debt Situation
EBS/88/160	Staff Note on Issues Relating to Access Limits and the Calculation of Fund Financing in the Compensatory and Contingency Financing Facility
EBS/88/164	Overdue Financial Obligations to the Fund - Statistical Update
EBS/88/165	Review of the Fund's Liquidity - Financing Needs and Financial Considerations for Access Policy in 1989
EBS/88/166 + Rev. 1 + Rev. 2	Draft Report of the Executive Board to the Interim Committee of the Board of Governors on Overdue Financial Obligations to the Fund
EBS/88/167	World Economic Outlook - Prospects and Policy Issues
EBS/88/171	Enhanced Structural Adjustment Facility (ESAF) - Progress Report on Operations

EBDs

EBD/88/140	United States - Address by Treasury Secretary Baker
EBD/88/144	Proposals on Extending the Policy Framework Paper (PFP) Process to Middle Income Debtors
EBD/88/168	Toronto Summit - Extract of a Letter by President Mitterand
EBD/88/174	1988 Economic Summit - Toronto Economic Declaration

EBD/88/204	Foreign Exchange and Financial Markets in June 1988
EBD/88/205	Recent Exchange and Financial Market Developments
EBD/88/226	Charts on Exchange Market Developments
EBD/88/231	Gold Prices in World Markets in July 1988
EBD/88/246	Background Material on Exchange Rate Developments
EBD/88/249	Recent Exchange and Financial Market Developments
EBD/88/253	Charts on Exchange Market Developments

Buff Documents

88/126	Chairman's Summing Up of Discussion on the Compensatory and Contingency Financing Facility
88/128	Statement by the Managing Director on Work Priorities after the 1988 Annual Meetings
88/157	Acting Chairman's Summing Up at Conclusion of Discussion on Third-Year Access Under the SAF
88/163	Statement by Mr. Dallara on the United States
88/172	Chairman's Concluding Remarks at the Discussion on Issues in Managing the Debt Situation
88/173	Chairman's Personal Comments on the Debt Situation
88/175	Chairman's Summing Up on Discussion of Managing Director's Aide Memoire on the Size of the Fund and on the Share of the Developing Countries in the Fund - Committee on the Whole of the Ninth General Review of Quotas
88/179	Chairman's Summing Up at Conclusion of Discussion on Access Limits for 1989, Review of Access Limits for the Buffer Stock Financing Facility, and Review of the Fund's Liquidity
88/180	Chairman's Summing Up at Discussion by the Committee of the Whole for the Development Committee on the Joint/Fund Staff Report on Poverty Issues

Massimo Russo
Director
European Department
International Monetary Fund

Development Committee Documents

EB/CW/DC/88/2	Development Committee - Annual Report
EB/CW/DC/88/4	The Industrial Policies of Industrial Countries and Their Effects on Developing Countries - Summary and Issues for Discussion
EB/CW/DC/88/5	Industrial Policies of Industrial Countries - Impact on Developing Countries
EB/CW/DC/88/7	Strengthening the World Bank's Poverty Focus - Future Directions
EB/CW/DC/88/9	Joint Bank/Fund Staff Report on Poverty Issues

Quota Documents

EB/CQuota/88/5	Ninth General Review of Quotas - Alternative Calculations of the Size and Distribution of Increases in Quotas
EB/CQuota/88/7	Ninth General Review of Quotas - The Share of the Developing Countries in the Fund
	A Proposal for a Debt Adjustment Facility - Draft for Discussion
	Ninth General Review of Quotas - The Size of the Fund

Books

Directory of Members, Quotas etc.
Ten Misconceptions About the IMF
What is the International Monetary Fund
The IMF and the World Bank How Do They Differ?
Helping the Poor, the IMF's New Facilities for Structural Adjustment
Information on Filing Application for Membership
Admission to Membership in the International Monetary Fund - Manual of Procedures
By-Laws, Rules and Regulations, IMF
Articles of Agreement
Selected Decisions of the IMF and Selected Documents, Thirteenth Issue
Bulletin of the European Communities, Supplement 2/86 Single European Act
World Development Report 1988
Multilateral Official Debt Rescheduling - Recent Experience, May 1988

Massimo Russo
Director
European Department
International Monetary Fund

OECD Economic Outlook, No. 43, June 1988
Exchange Arrangements and Exchange Restrictions Annual Report 1988

Miscellaneous

Plastic cups
Personalized note pads (4)
Calling cards
Compliment slips

Folder of log sheets and forms
MD/DMD letter head and envelopes

European Department briefing books - M. Russo, P. de Fontenay

European Department briefs

Folders/papers on:

G5/G7

World Economic Outlook

Development Committee

Group of Ten

Interim Committee

G24

Nordic visit

USSR/Czechoslovakia

European Department country memoranda

ADDITION TO LIST OF PAPERS IN BOXES FOR WASHINGTON

Delegation List
Telephone Directory
Annual Meeting documents
Development Committee documents
Interim Committee documents
G24 documents
G10 documents
G7 documents
Papers for Italian conference (Parma, Italy)



Office Memorandum

Subject
✓

TO: Division Chiefs EUR
FROM: P. de Fontenay
SUBJECT: Annual Meeting Briefs

August 22, 1988

Could you please let me have, during the week of September 6 but not later than September 9, the Annual Meeting briefs for the countries in your division. The format for both regular briefs and special briefs (for those countries whose delegations are to meet the Managing Director) is the same as last year (see attachments). In most cases the text of the brief should not exceed one page (single spaced).

As the Annual Meetings are held outside of Washington this year, you might also consider whether, in certain cases, a supplementary brief might not be helpful to Messrs. Russo, Guitián and me for our discussions with country delegations.

Would you also let me know before Friday, August 26 if there are any countries in your division with which the Managing Director should, in your view, have a meeting in Berlin. We shall send to the Managing Director our proposals in two categories: those delegations he must meet (normally the G-7 and operational countries), and those delegations it would be desirable that he meet if he can. Please keep in mind that the Managing Director's time will be quite limited and that only a very small number of countries should be in that second category.

Attachment

cc: Mr. van Houten
Mr. Bélanger

(Sample of regular brief)

AUSTRALIA
(on every page)

Brief for the Forty-Second Annual Meeting

Principal members of the delegation:

Political situation:

Economic developments and prospects

Fund relations

September 1987

DRAFT: Double spaced

FINAL: Single spaced, backed-up and, when copied, please use
3-hole punched paper.

(Sample of special brief to go attached to regular brief)

AUSTRALIA

Brief for Meeting with Delegation

Principal members of the delegation:

Topics for discussion:

September 1987

~~Australia~~: Main Economic Indicators 1/

	1985	1986	1987	1988 Proj.
Real economy (change in percent)				
Real GDP	5.0	4.5	2.0	2.8
Domestic demand	4.6	3.0	0.2	0.8
CPI	5.8	8.4	9.3	8.2
Unemployment rate (percent)	8.6	7.9	8.3	8.3
Public finance (percent of GDP)				
Central Government balance	-3.1	-2.4	-1.2	...
Public sector borrowing requirement (net)	-5.0	-4.7
Money and credit (end of year, percent change)				
Total domestic credit credit	18.3	17.5	13.6	...
M3	17.5	13.0	12.9	...
Interest rate (13-week)	14.0	12.4	12.2	...
Interest rate (10-year)	13.6	13.1	13.2	...
Balance of payments (percent of GDP)				
Trade	-0.4	-1.4	-0.7	-0.3
Current account	-5.2	-6.0	-5.1	-4.0
Reserves (national valuation of gold) (billions of SDRs)	9.0	7.5	9.9	...
Reserves (gold valued at \$US35 per ounce) (billions of SDRs)	6.7	5.4	7.3	...
Net external debt (percent of GDP)	23.8	30.4	31.4	...
Debt service ratio	15.4	16.9
Fund position				
Holdings of currency (percent of quota) end-August 1987)	88.3			
Holdings of SDRs (percent of quota) (end-August 1987)	55.9			
Quota (millions of SDRs)	1,619.2			
Exchange rate				
Exchange rate regime	Floating (since December 1983)			
Present rate (end-August 1987)	.71 US\$/A			
Nominal effective rate (1980=100) 2/	82.3	73.1	75.6 3/	...
Real effective rate (1980=100) 2/	84.8	80.2	82.8 3/	...

1/ Fiscal years ending in June.

2/ End of year data.

3/ June 1987.

September 1987

(DO NOT BACK ON TO TEXT; COPY SEPARATELY)



CLOSED DOCUMENT

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IMF ARCHIVES

This ☒ document or ☐ file has been removed for the following
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- ☒ contains information pertaining to an individual's health, finances or
reputation. To be opened: (document date **1988**) + 85 years
- ☐ legal document created under solicitor/client privilege
- ☐ IMF closed series:
- ☐ other sensitive

Department/Division: **EUR**

Series: **EURAI Subject Files**

Subseries:

Box number:

File number:

Adlib Reference number:

File title and date(s): **Annual Meeting - 1988 (Berlin) Correspondence**

Document title and date(s): **BIO DATA**
07/14/1988

05/14/2013

JOONYONG JEONG



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DETAILS OF WITHDRAWN MATERIAL

DATE	1988-09-25
TYPE	List
TO	n/a
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SUBJECT/TITLE	Attendance Report
NO. OF PAGES	2
AUTHORITY	Board of Governors
LANGUAGE	English



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DATE	1988-09-18
TYPE	List
TO	n/a
FROM	n/a
SUBJECT/TITLE	Attendance Report
NO. OF PAGES	2
AUTHORITY	Board of Governors
LANGUAGE	English



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DATE	1988-07-07
TYPE	Procedures
TO	n/a
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SUBJECT/TITLE	Attendance Procedures for Locally Appointed Employees
NO. OF PAGES	4
AUTHORITY	Board of Governors
LANGUAGE	English



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DETAILS OF WITHDRAWN MATERIAL

DATE	1988-06-16
TYPE	Memorandum
TO	Mrs. S. Pintoy
FROM	Audrey D. Daniels
SUBJECT/TITLE	Assignment Dates – Berlin (West)
NO. OF PAGES	2
AUTHORITY	Board of Governors
LANGUAGE	English



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TO	n/a
FROM	n/a
SUBJECT/TITLE	Proof of activity
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LANGUAGE	English



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DATE	September 1988
TYPE	Notice
TO	n/a
FROM	n/a
SUBJECT/TITLE	Local Staff Provided by AIDA
NO. OF PAGES	4
AUTHORITY	Board of Governors
LANGUAGE	English

ANNUAL MEETING - PRESS RELEASES

1. Eberhard Diepgen, Mayor of Berlin
2. Helmut Kohl, Chancellor
3. Kjell-Olof Feldt, Chairman
4. Mr. Barber B. Conable
5. Mr. M. Candessus
6. Wladyslaw Baka, Poland
7. J. B. Sumarlin, Indonesia
8. Mahbub Ul Haq, Pakistan
9. Panagiotis Roumeliotis, Greece
10. Sisavath Sisane, Lao People's Democratic Republic
11. P. S. Mmusi, Botswana
12. Satoshi Sumita, Japan
13. Cesar Romeo Acosta, Paraguay
14. Pierre Berengovoy, France
15. Jacques F. Poos, Luxembourg
16. Il Sakong, Korea
17. A. K. Khandker, Bangladesh
18. Carlos Solchaga, Spain
19. H. Onno Ruding, Chairman Interim Comm.
20. Gustavo Petricioli, Mexico
21. Philippe Maystadt, Belgium
22. Wang Bingqian, China
23. PraMUAL SABHAVASU, Thailand
24. Michael H. Wilson, Canada
25. Nicholas F. Brady, USA
26. Bharat Bahadur Pradhan, Nepal
27. A.N.R. Robinson, Trinidad and Tobago
28. Herbert Augustus Blaize, Grenada
29. Gerhard Stoltenberg, Federal Republic of Germany
30. B.T.G. Chidzero
31. Rolf Kullberg, Finland
32. Erkki Liikanen, Finland
33. Anthony P. Galdes, Malta
34. B. J. Du Plessis, South Africa
35. Giuliano Amato, Italy
36. Mr. Alarcon-Mantilla, Colombia
37. Nigel Lawson, UK
38. Ferdinand Lacina, Austria
39. Ray Macsharry, Ireland
40. Daim Zainuddin, Malaysia
41. Mohammed Javad Irvani, Islamic Republic of Iran
42. S. B. Chavan, India
43. Vicente R. Jayme, Philippines
44. Teato Teannaki, Kiribati
45. M.H.M. Naina Marikar, Sri Lanka
46. Svetozar Rikanovic, Yugoslavia
47. Miguel Cadilhe, Portugal
48. Omer Nour El Daim, Sudan
49. David Butcher, M.P., New Zealand
50. Michael Bruno, Israel

ANNUAL MEETING - PRESS RELEASES

- | | |
|--|------------|
| 51. <u>H. Onno Ruding, Netherlands</u> | 76. _____ |
| 52. <u>Kjell-Olof Feldt, Sweden Concluding</u> | 77. _____ |
| 53. <u>Galeva Kwarara, Papua New Guinea</u> | 78. _____ |
| 54. <u>M. Camdessus - Concluding</u> | 79. _____ |
| 55. <u>Janos Fekete, Hungary</u> | 80. _____ |
| 56. <u>Gheorghie Paraschiv, Romania</u> | 81. _____ |
| 57. <u>Barber B. Conable - Concluding</u> | 82. _____ |
| 58. <u>Il Sakong, Korea</u> | 83. _____ |
| 59. <u>Paul J. Keating, Australia</u> | 84. _____ |
| 60. <u>Hamidullah Tarzi, Afghanistan</u> | 85. _____ |
| 61. <u>Mohamed el Madani Al-Bukhari, Socialist People's</u>
<u>Libyan Arab Jamahiriya</u> | 86. _____ |
| 62. _____ | 87. _____ |
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to **SEPTEMBER 25**

1988 OCTOBER 1988
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THURSDAY, SEPT. 22 266/100	FRIDAY, SEPT. 23 267/99	SATURDAY, SEPT. 24 268/98
8	8	8 67?
8:15	8:15	8:15
8:30	8:30	8:30
8:45	8:45	8:45
9	9	9
9:15	9:15	9:15
9:30	9:30 MD - Dr. Brantner (K-fu)	9:30
9:45	9:45	9:45
10 G-24 Deputies Harting-Kron 2 also 9/23/88 0	10 MD - all Stattenberg Hall 15.1, Room 15 C	10 G-24 all ministers, phlety Room 2
10:15	10:15	10:15
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2:45	2:45	2:45
3	3	3
3:15	3:15	3:15
3:30	3:30	3:30
3:45	3:45	3:45
4	4	4
4:15	4:15	4:15
4:30	4:30	4:30
4:45	4:45	4:45
5	5	5
5:15	5:15	5:15
5:30	5:30	5:30 MD - Stoly
5:45	5:45	5:45
6	6	6 MD - all Klein
6:15	6:15	6:15
6:30	6:30	6:30
6:45	6:45	6:45
7	7	7.00
7:15	7:15 MD - U.K.	7:15
7:30	7:30	7:30
7:45	7:45	7:45
8	8	8.00
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9	9	9.00
9:15	9:15	
9:30	9:30	10:00 MD - Yugo Slava at Hotal Kempinski Kempinski down 27
9:45	9:45	

SUNDAY, SEPTEMBER 25

8.00 G-10 Ministers & Governors, Saal 5, ICC
8.15
8.30
8.45
9.00
9.15
9.30 Interim Committee
9.45
10.00
10.15
10.30
10.45
11.00
11.15
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11.45
12.00
12.15
12.30
12.45
1.00
1.15
1.30
1.45
2.00
2.15
2.30
2.45
3.00 MR/PdF - Ali Fakete, Room 10.2, 37
3.15
3.30
3.45
4.00
4.15
4.30
4.45
5.00
5.15
5.30
5.45
6.00
6.15
6.30-8.30 Reception - Messrs. Larsson & Loh-Pemberton, Hohmannstrasse 10
6.45
7.00 Reception - Chairman Board of Governors Museum of
Transportation Technology
7.15
7.30
8.00

1988 SEPTEMBER 1988
 S M T W T F S
 1 2 3
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 25 26 27 28 29 30

from **SEPTEMBER 26**

MONDAY, SEPT. 26 270/96	TUESDAY, SEPT. 27 271/95	WEDNESDAY, SEPT. 28 272/94
	8	8
	8:15	8:15
8:30	8:30	8:30
8:45	8:45	8:45
9 Development Committee	9 MR - all over. Costa Lautenberg	9
9:15 Meeting Room #2	9:15 4 all over. Room 10-2, 37	9:15
9:30	9:30	9:30
9:45	9:45	9:45
10 MR - all Klaus Austria	10 Annual Meeting	10
10:15 Hall 13-04	10:15	10:15
10:30	10:30	10:30
10:45	10:45	10:45
11	11	11 Asbrink
11:15	11:15	11:15
11:30	11:30	11:30
11:45	11:45	11:45
12	12	12-230 Lunch - Swiss
12:15	12:15	12:15 First Bismarck Str. 4
12:30	12:30	12:30
12:45	12:45	12:45
1	1	1
1:15	1:15 G-10 Deputies Hotel	1:15
1:30	1:30 Bristol Kempinski	1:30
1:45	1:45 Ballroom Big stage	1:45
2	2	2
2:15	2:15	2:15
2:30	2:30	2:30
2:45	2:45	2:45
3	3 G-10 Deputies - Ballroom	3
3:15	3:15 Bristol Kempinski	3:15
3:30	3:30	3:30
3:45	3:45	3:45
4	4	4 MR - Presentation & Reception
4:15	4:15	4:15 (Austrian) Grand Hotel
4:30	4:30	4:30 Lützowufer 15
4:45	4:45	4:45
5-7:30 Reception - Sir Kut &	5	5
5:15 Lady Medallion at Egyptian	5:15	5:15
5:30 Museum Schlossstrasse 70	5:30	5:30
5:45	5:45	5:45
6 Reception - President & all	6-8 Reception - Latin F.Ds ICC	6-8 Reception - African F.Ds
6:15 von Wenzgecker at	6:15 Grosse Sternstr. Room 3+4	6:15 Dachgarten, ICC
6:30 Palace Chancellery	6:30	6:30-7:30 Reception - Indian F.Ds
6:45	6:45	6:45 Saal 9, ICC
7	7	7
7:15	7:15	7:15
7:30	7:30	7:30
7:45	7:45	7:45
8 Opera at Deutsche Oper	8 Reception Govt of Germany	8
8:15 Philharmonic Concert at	8:15 4 Senat of Berlin at ICC	8:15
8:30 Berliner Philharmonic	8:30	8:30
8:45	8:45	8:45
9	9	9
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to OCTOBER 2

1988 OCTOBER 1988
S M T W T F S
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THURSDAY, SEPT. 29 273/93	FRIDAY, SEPT. 30 274/92	SATURDAY, OCT. 1 275/91
	8	8
15	8:15	8:15
8:30	8:30 <i>M.D. - Poland</i>	8:30
8:45	8:45	8:45
9	9	9
9:15	9:15	9:15
9:30	9:30	9:30
9:45	9:45	9:45
10 <i>du Fraser 11-1-64</i>	10	10
10:15	10:15	10:15
10:30	10:30	10:30
10:45	10:45	10:45
11	11	11
11:15	11:15	11:15
11:30	11:30 <i>M.D. - South Africa</i>	11:30
11:45	11:45	11:45
12	12	12
12:15	12:15	12:15
12:30	12:30	12:30
12:45	12:45	12:45
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6	6	6
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		SUNDAY, OCT. 2 276/90



THE INTERNATIONAL MONETARY FUND ARCHIVES

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- ☐ Records and proceedings of the Grievance Committee
- ☐ Records acquired by the Fund by Third Parties, including Member Countries, with security classifications of 'CONFIDENTIAL' or above. (Declassification can be requested)
- ☐ Other sensitive nature:

Archival Ref No.:	593252
File Title & Dates:	Annual Meetings - Correspondence (Berlin), 1988
Fonds:	European Department Records, 1946-1994
Sous-fonds	European Department Immediate Office Records, 1946-1994
Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	September 1988
TYPE	Diary
TO	n/a
FROM	n/a
SUBJECT/TITLE	Diary entries, September 22-24
NO. OF PAGES	1
AUTHORITY	International Monetary Fund
LANGUAGE	English

7.50am - 7pm [✓] Lecture

SUNDAY, SEPTEMBER 25

8.00	6-10 Ministers & Governors, Saal 5, ICC
8.15	
8.30	
8.45	
9.00	
9.15	
9.30	Interim Committee
9.45	Dudley Sears Lecture?
10.00	
10.15	
10.30	
10.45	
11.00	
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11.30	
11.45	
12.00	
12.15	
12.30	
12.45	
1.00	
1.15	
1.30	
1.45	
2.00	
2.15	Mr. Evans 10-2-37 - to be rescheduled
2.30	
2.45	- Mr. Fokete 10-2-37 to be rescheduled
3.00	
3.15	
3.30	
3.45	- Romanians 10-2-37 33
4.00	
4.15	
4.30	
4.45	
5.00	Yugoslavs - 17-70
5.15	
5.30	
5.45	
6.00	Poland 10-2-37 10 minutes
6.15	
6.30	Reception - British Hohmannstrasse 10 (6.30-8.30) accepted
6.45	in Berlin 33 district
7.00	Reception - Chairman, Board of Gov. Museum for Transport & Techn.
7.15	accepted
7.30	Kongress Halle Berlin
8.00	John Foster Dulles Alle 10

SEND ATTENDANCE

from

SEPTEMBER 26

MONDAY, SEPT. 26 270/96

TUESDAY, SEPT. 27 271/95

WEDNESDAY, SEPT. 28 272/94

8:15	7:05	8 7:35	8:05pm	8 7:55
8:30		8:15		8:15
8:45		8:30		8:30
9	Develop Committee	8:45	confirmed in ch 1	8:45
9:15	Meeting Room 2	9	Coste, Paulenberg, Martelli	9
9:30	Palestine 10-2-37	9:15	Swiss in Exh office with HK	9:15
9:45		9:30		9:30
10	Konuko - Austria 13-04	9:45		9:45
10:15		10	Annual Meeting	10
10:30		10:15	Saal 1	10:15
10:45		10:30		10:30
11		10:45		10:45
11:15	Yugoslav + FAP	11		11
11:30		11:15		11:15
11:45		11:30		11:30
12		11:45		11:45
12:15		12		12
12:30		12:15	A Kidel (301-7907)	12:15
12:45		12:30	th Klein HD?	12:30
1		12:45		12:45
1:15	Meeting with T. Burns	1		1
1:30	MR4 Pader	1:15	G-10 Deputies (Lund) Ballroom	1:15
1:45	accepted	1:30	Bristol Kompinski J bal stage	1:30
2		1:45		1:45
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2:30		2:15		2:15
2:45		2:30		2:30
3		2:45	Turkey 10-2-37	2:45
3:15		3	G-10 Deputies - (Lund)	3
3:30		3:15	Bristol Kompinski	3:15
3:45		3:30	Fabete - 10-2-37	3:30
4		3:45		3:45
4:15		4		4
4:30		4:15		4:15
4:45		4:30	Mr. Viel 10-2-37	4:30
5		4:45		4:45
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5:30		5:15		5:15
5:45		5:30		5:30
6		5:45	6-8 Reception - Reatny ICC	5:45
6:15		6-8	Cocktails - Latin Eds	6-8
6:30		6:15	Reception - African Eds	6:15
6:45		6:30	Dachgarden ICC	6:30
7		6:45	7-30 Reception - Senegalia	6:45
7:15		7	Room 9 ICC	7
7:30		7:15		7:15
7:45		7:30		7:30
8		7:45		7:45
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to **OCTOBER 2**

SEND ATTENDANCE

1988	OCTOBER							1988
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24	25	26	27	28	29	30	31	

THURSDAY, SEPT. 29 273/93	FRIDAY, SEPT. 30 274/92	SATURDAY, OCT. 1 275/91
8-10	8	8
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8:30	8:30 Poland - M.D.	8:30
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9 parr/do R?	9	9
9:15	9:15	9:15
9:30 Dr. Gottleheim S. Afr.	9:30	9:30
9:45 34 4001	9:45	9:45
10 Fraser 11-1-64 Australia	10	10
10:15	10:15	10:15
10:30 Fraser	10:30	10:30
10:45	10:45	10:45
11 Portuguese Mm. Gov.	11	11
11:15 17-02	11:15	11:15
11:30	11:30 South Africa - DAD	11:30
11:45 ch. Sney	11:45	11:45
12	12	12
12:15 Greenhouse, N. Times	12:15	12:15
12:30	12:30	12:30
12:45	12:45	12:45
1	1	1
1:15	1:15	1:15
1:30	1:30	1:30
1:45	1:45	1:45
2	2 RETURN 3-HOLE PUNCH	2
2:15	2:15	2:15
2:30	2:30	2:30
2:45	2:45	2:45
3 Nordal 17-80	3	3
3:15	3:15	3:15
3:30	3:30	3:30
3:45 Romania 10-2-37	3:45	3:45
4	4 Plane at 4 pm for	4
4:15	4:15	4:15
4:30 Prof. Baka 10-2-37	4:30 M.D. + M.R.	4:30
4:45	4:45	4:45
5	5	5
5:15 Preso Reception	5:15	5:15
5:30 Saal 3	5:30	5:30
5:45	5:45	5:45
6	6	6
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		SUNDAY, OCT. 2 276/90



Office Memorandum

To: Ms. C. Harty

November 17, 1988

From: Lynne Girvan *LG*

Subject: Annual Meetings Telephone Bill

I attach the Annual Meeting telephone bills you sent to the European Department. I have marked (with an X) those calls (7) the European Department did not make. Please check with the Paris Office on these as they occasionally used the European Department extensions (3215 and 3216). Extensions 3559 and 3560 were assigned to the Paris and Geneva offices so you will have to check with them on the calls that were made on these extensions.

I have marked three calls that were made by Mr. de Fontenay as Chairman of the Investment Committee, these calls should be charged to that Committee not to the European Department. I attach a check for \$21.56 in payment of the one personal call marked on the sheet.

Attachments



THE INTERNATIONAL MONETARY FUND ARCHIVES

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- ☒ Other sensitive nature: BoG

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File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-11-16
TYPE	Letter
TO	Annual Meeting Participants
FROM	Pamela A. Westcott
SUBJECT/TITLE	Call Detail Reports for 1988 Annual Meetings
NO. OF PAGES	10
AUTHORITY	Board of Governors
LANGUAGE	English



Office Memorandum

Mr. Russo

TO: The Managing Director
The Deputy Managing Director

October 19, 1988

FROM: A. F. Mohammed

SUBJECT: Lessons for EXR from the Berlin Meetings

Attached is a memorandum evaluating EXR activities leading up to the Annual Meetings. The plan of action followed by the German authorities and the Bretton Woods institutions was based on a memorandum prepared by Mr. Hartmann. It succeeded quite well in separating the anti-establishment violent groups from the array of other public groups by engaging the latter in a series of events. The German authorities played their part skillfully in setting up these events and ensuring that we and the World Bank were seen as responding to invitations for discussion, rather than appearing to take initiatives which would otherwise have been regarded as self-serving, i.e., as designed for the sole purpose of mollifying opposition ahead of the Berlin meetings.

The first lesson to be drawn from this experience is that there is indeed a remarkable degree of misperception about the Fund among the general public in the Federal Republic, and, by extension, in the rest of Western Europe. However, people are willing to engage in open-minded discussions and we have been successful in establishing contacts with many groups which it would be worthwhile to continue, if we are to maintain public support for the institution in the major industrial democracies. In this connection, we have offered an implicit promise to remain in touch, and in the case of the churches in Germany, an explicit commitment to engage in an exchange of letters over the period ahead. Indeed, without the fear of having our motives questioned, we should be willing to go beyond our conventional approach of responding to invitations to a more activist program of seeking out opportunities for staff appearances before various non-official groups. In particular, we need to go beyond the circle of financial audiences to the much wider ones offered by the churches, the trade unions, and the development and poverty advocacy groups.

A second lesson is that public opinion is today accessible much more by radio and television than by the printed word. We were inundated with requests for speakers to appear on programs from broadcast networks throughout Europe during the course of the meetings. With the help of German-speaking staff drawn from several departments we were able to fill but a fraction of these requests. Without the special interest of the meetings being held in Europe, the electronic media are rather difficult to reach, except at great expense and at a time of budget constraint in the Fund, one must approach this area with great caution. We will surely need to follow up our single effort at a film on the Fund with a sequel, as the current product grows obsolete, and to consider the possibility of offering staff more frequently for radio and television appearances.

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1508 OCT 20 1988
EUROPEAN ECONOMIC COMMUNITY

A third lesson is the importance of pitching our printed material to the absorptive capacity of a wider public. Our publications program today is quite technical in its content. For the first time, the preparations for Berlin led us into a series of pamphlets prepared in this Department (with the help of willing colleagues in several departments), designed to explain ourselves in a non-technical language while remaining accurate in content. We have received much positive comment from knowledgeable outsiders for this initiative and will try to develop the series with a list of new titles.

I feel that just as the preparation for the Annual Meetings provided us with a sharper focus for EXR activities, the next quota exercise should provide a similar opportunity in the coming period and we are drawing on the lessons from Berlin in fashioning a program of action to be submitted later for your approval.

Attachment

cc: Heads of Departments, Bureaus and Offices
Mr. H. Simpson



Office Memorandum

To: Mr. Mohammed

October 17, 1988

From: Hellmut Hartmann H.H.

Subject: 1988 Annual Meetings in Berlin

You had requested an evaluation of the Berlin Meetings from an EXR perspective. From that point of view, the Annual Meetings in Berlin were remarkable for the intensity of public interest from a grand coalition of academics, churches, unions, environmentalists, developmental groups, marxist dreamers, and anarchist activists. Never before had criticism been voiced so loudly, and the critics managed to dominate the public debate for so long. And never before had the Bretton Woods institutions engaged themselves in such a systematic and broad dialogue with their critics, using discussions in private groups, seminars, speeches, pamphlets, newspaper-interviews, and radio- and TV-appearances as their tools.

Since a broad alliance of Fund and Bank critics, the Bundeskongress entwicklungspolitischer Aktivitäten ("Buko"), vowed in the summer of 1987 to "disrupt" and "impede" the Annual Meetings, the German authorities had come to fear the worst.

In August 1987, an "Outline of a Public Affairs Program for the 1988 Annual Meetings in Berlin (West)" was prepared in the Fund at the request of the host Government. That outline provided the basis for the public affairs strategy of the German authorities and the two Bretton Woods institutions. The aim of the strategy was to separate those willing to enter into a dialogue with the Fund and the Bank from those who wanted to attack the institutions and their meetings with physical violence.

The actual campaign started in early 1988 with the preparation of a number of publications (by both the German authorities and the Bretton Woods institutions) aimed at disseminating information about the institutions among a wider public. At the same time signals were sent to the German NGO-community that the Fund and the Bank were willing to enter into a dialogue with the interested public. Given the strong influence of churches in Germany, in particular the Protestant Church, special efforts were made to engage church groups and their officials in the dialogue.

In a second phase, starting around the time of the Spring Interim/Development Committee meetings, a series of meetings, seminars, symposia, round-table discussions, press conferences, etc. were initiated to explain Fund/Bank policies and their respective roles in the debt strategy, adjustment, development, and environmental policies (the main issues raised by the critics). In order to increase the credibility of those events, the Fund and Bank were shown as responding

to invitations to send "guest" speakers, rather than as the organizers of these events. More than a hundred such seminars and meetings were organized and attended by Fund and Bank staff, in many instances supplemented by senior German officials. In the case of the Fund, various Departments collaborated, with EXR, ETR, EUR, RES, FAD carrying the main burden. Participation of World Bank staff was similarly widespread. Both the Fund's Managing Director and the President of the World Bank participated in this phase, conducting high-level talks with critical groups in Germany, delivering major policy addresses, and responding to queries from the media.

The public affairs program entered into its third and final phase in late summer with a series of newspaper, magazine, radio interviews and TV-appearances by the Managing Director, the President of the World Bank, and senior Fund- and Bank-staff. The press spokesmen of both institutions held a series of press conferences (one of them joint) in German and participated in radio- and TV-shows, while the host Government stepped up its own PR-activities, especially in Berlin, directed at the ordinary citizen. Top German officials, including President Richard von Weizsäcker, Chancellor Helmut Kohl, several Federal Ministers, and former Chancellors Helmut Schmidt and Willy Brandt delivered (orally or in writing) public statements focussed on the work of the Fund and the Bank.

Upon his arrival in Berlin, the Managing Director paid a much-publicized visit to the Head of the German Protestant Church, Bishop Martin Kruse, and the Representative of the Catholic Church of Berlin, Domprobst Otto Riedel, and (a day or so before the start of expected clashes with critics) held a widely reported press conference, in which he welcomed the dialogue with the Fund's critics.

The success of all these efforts became apparent on the day of the Interim Committee meeting (September 25), when approximately 50,000 protesters against the policies of the Fund and the Bank marched peacefully through the streets of Berlin. No violence was reported as a result of this demonstration. Similarly, three counter-meetings: a conference on the World Bank and its alleged role in the destruction of the environment; a "Counter Congress" with high-level international participation; and a session of a "Permanent Peoples' Tribunal" of the Italian Lelio Basso Foundation--all attended by thousands of participants--took place during the period of the Annual Meetings in Berlin without a single violent incident or, what is even more astonishing, without a single call for violence. The willingness for a factual, unemotional discussion prevailed throughout these meetings. One of the overall themes expressed at all three meetings was the concern for the destruction of the environment, which was directly linked to the debt strategy. It is interesting to note that no call for unconditional global debt cancellation came out of these gatherings.

In striking contrast to these discussions, which almost took the character of academic seminars, were the clashes of relatively small

groups of violent protesters with the police, which became almost a nightly routine during the meetings. Although participants in these clashes were claiming to protest Fund and Bank policies, their protest was mainly directed against "the state", "the system", "capitalism"--utterances of anarchists, who in the past were similarly violently protesting the deployment of nuclear missiles, the construction of a new runway at Frankfurt airport, the eviction of squatters from illegally occupied housing projects, etc. Originally, these protesters had hoped to be able to take advantage of the anti-Fund/Bank-campaign of concerned academics, church people, developmental and environmental groups and had formed an alliance with the "Buko"-coalition. However, as the public affairs program of the Fund and Bank and of the German authorities got underway, these violent elements left the "Buko", vowing to take their own actions against the meetings.

Without any doubt, the attacks on meetings attended by Fund and Bank officials (not, however, the assassination attempt on Mr. Tietmeyer, which was clearly the work of terrorists) in the preparatory phase of the Meetings were the direct result of this decision. Notwithstanding these events, however, in the final analysis, the Press and Information Office of the Federal Government concluded that the public affairs strategy, aimed at separating those willing to enter into a dialogue from those seeking to attack the institutions violently, "turned out to be a successful one."

In evaluating the proceedings of the counter-meetings (the Tribunal, the Counter-Congress, and the Environmental Congress), the German authorities reason, "that significant changes have taken place in the debate among critics (of the Bretton Woods institutions) since 1987: Where there was uncompromising hostility, there is now critical dialogue. Without any doubt, this is partly the result of the numerous meetings with critical groups, in which representatives of the Federal Government, of the Bundesbank, the Berlin Senate and, above all, the Fund and the Bank have been engaged in a difficult discussion."

The Berlin meetings probably demonstrated, that, apart from being dependent on the support of its member governments, the Bretton Woods institutions can, in the final analysis, only survive if they have the broad support of the public. One could even pose the question whether the progress achieved on the debt front in Berlin, could have been achieved in the secluded atmosphere of a typical Washington meeting. Clearly, the clinical atmosphere of a meeting at headquarters would have lacked the impetus arising from an impatient public opinion, which probably influenced the institutions (and with it reluctant governments of industrial countries and the banks) in the direction of a broad acceptance of debt reduction and an enhanced sensibility to distributional, poverty and environmental issues.



Office Memorandum

cc: WED
HAR
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SED
NED
EED I
EED II

TO: Mr. Beza
Mr. Narvekar
Mr. Ouattara
Mr. Russo ✓
Mr. Shaalan

DATE: October 7, 1988

FROM: Michael J. Brimble

SUBJECT: Discussions with Country Delegations
at the 1988 Annual Meetings

I am attaching, for your information, the minutes of meetings of the staff of the Bureau of Statistics and the delegations of member countries in your department during the 1988 Annual Meetings.

Attachments

cc: Mr. Dannemann (o.r.)
Mr. McLenaghan (o.r.)
Advisors
Mrs. Walker

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EUROPEAN DEPARTMENT

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Aruba
Delegate: Mr. Emile den Dunnen, President, Centrale Bank van Aruba
Bureau: Mr. Patel
Date: September 28, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

Balance of payments

Mr. Dunnen informed the Fund representative that BOP data through mid/1988 together with notes have been published in the Central Bank Bulletin. The Bureau of Statistics should process these data for the BOPSY and IFS.

Real sector

The Aruba authorities are in the process of compiling national accounts data. Mr. Dunnen agreed to assist in keeping real sector data in the Aruba country page in IFS as current as possible.

Government finance

Mr. Dunnen informed the Fund representative that government finance data on a cash basis have been compiled by the Ministry of Finance. He will arrange to mail these data to the Fund's Bureau of Statistics. The authorities also intend to provide these data to the Fund's Article IV consultation mission which will be visiting Aruba in October 1988.

Follow-up Action

1. Process BOP data and communicate, if any problems, to the BOP correspondent.
2. If GFS data are not received in the near future, send a reminder quoting these discussions.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Australia
Delegate: Mr. M. J. Phillips, Deputy Governor, Reserve Bank of Australia
Bureau: Mr. McLenaghan
Date: September 28, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

Financial institutions

There was some discussion of the proposed Fund course on money and banking statistics to be held at the Reserve Bank (RBA) in Sydney in March 1989. The delegate expressed the RBA's support for the course and noted that agreement had been reached with the Australian Statistician (Mr. Castles) for a partial sharing of the cost burden among the Australian authorities. For its part, the RBA would contribute by way of subsidizing the provision of its new training facility in Sydney. Noting that the Fund was anxious to finalize arrangements for the course, the delegate promised to discuss these matters with the Australian Bureau of Statistics (ABS) on his return and would advise us accordingly. He mentioned also that the course was seen as a useful instrument, not only in bringing together participants from neighboring countries, but also in providing training for Australian staff, including the RBA and the ABS. He thought it likely that the Bank would contribute some of its own staff as lecturers. Total accommodation at the training college is about 34.

International banking and external debt

On international banking statistics, the delegate mentioned that the Australian authorities were studying a proposal to contribute data on the geographic breakdown of banks' external asset and liability positions in accordance with a request from the Bank for International Settlements (BIS) and, as discussed last year with Mr. Dannemann, he was fully sympathetic to providing such information to the Fund. A qualification that had to be made was the concern that new reporting requirements on banks might prove burdensome. This was a matter that the RBA and the ABS

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were considering. In principle, however, he agreed that the additional information in this area would prove useful to the authorities as well as to the banks themselves.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Austria
Delegate: Mr. Thomas Lachs, Executive Director, Austrian National Bank
Bureau: Werner Dannemann
Date: September 25, 1988

The delegate was given a presentation of current developments in the statistical activities of the Fund.

There was a general discussion concerning activities on the revision of the United Nations' A System of National Accounts, and on the activities of the international working group on external debt statistics; work associated with Fund methodologies, such as the Guide to Money and Banking Statistics, the Guide to Real Sector Statistics, and the proposed Guide to IFS.

Concerning data dissemination, the delegate was informed of the Fund's intention to replace tape subscription to Fund publications by disc circulation, and it was thought that the Austrian National Bank might be in a position to use this form of dissemination in due course.

There was also some discussion of new Fund publications, such as the IFS Supplement on Public Sector Institutions, the Supplement on International Liquidity, and the planned Supplement on Trade Statistics.

Balance of payments

Concerning balance of payments statistics, the delegate said that recent efforts in the gathering of information on tourism, purchasing of goods abroad, and leasing had contributed to the improvement in Austria's balance of payments statistics. It was agreed that the Bureau of Statistics would follow up by correspondence. There was also some discussion of the possibility of attaching a balance of payments expert from the Austrian National Bank to the Bureau of Statistics' Balance of Payments Division for a certain period of training, say four weeks. It was pointed out that such a training facility had been made available to the authorities in the past.

Financial institutions

With regard to specific questions on statistics for Austria, mention was made of some data problems encountered for financial institutions statistics, particularly the uncurrentness of derived statistics distinguishing between claims on central government, and state and local government. The delegate stated that it might take some time to arrive at a solution to this problem, but that every effort would be made to complete the information.

Concerning interest rate statistics, the delegate stated that the interbank money market rates, in particular the Bank's lending rates, were usually overstated in statistical terms and that for that reason the authorities would still not be in a position to have those rates published. For the same reason, statistics on interest rates published by banks such as Morgan Trust were in his view overstated and would not be regarded as realistic in official terms.

Follow-up action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Cyprus
Delegate: Mr. H. G. Akhniotis, Senior Manager, Economic Research and
Management Services Division, Central Bank of Cyprus
Bureau: Messrs. Dannemann and Patel
Date: September 26, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

General (data bank)

Mr. Akhniotis reconfirmed the Central Bank of Cyprus's (CBC) desire to have a technical assistance visit from the Fund to assist in the structure and design of a data bank. He explained that the scope of the proposed data bank in terms of coverage will be extensive, possibly beyond the needs of CBC and with a linkage to the data system of the Fund. Mr. Dannemann responded that the mission could take place some time in early 1989 and suggested that Mr. Akhniotis should discuss the request with Mr. Minami, Director, Bureau of Computing Services, since a joint mission could be more productive in covering technical and substantive aspects of the project. Mr. Akhniotis agreed to discuss the matter further with Mr. Minami.

Financial institutions

Mr. Akhniotis informed the Fund representatives that the submission of data on offshore banking has been delayed because the magnitude of activities has not yet reached the (desired) targeted level that would warrant publication.

Real sector statistics

Mr. Akhniotis informed the Fund representatives that the wage data are currently available only on an annual basis. He agreed to look into the possibility of compiling quarterly wage data.

Follow-up Action

1. Schedule a mission on data bank jointly with BCS to take place in early 1989.
2. Suggest compilation of quarterly wage data in a monthly letter.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Denmark
Delegates: Mr. Kai Aaen Hansen, Head, International Department,
Danmarks Nationalbank
Bureau: Mr. Dannemann
Date: September 28, 1988

The delegate was given a presentation of recent developments in the statistical activities of the Fund, with particular emphasis on the review of the United Nations' A System of National Accounts and the ongoing activities in the field of international banking and external debt statistics.

At present, the Bureau had no substantive issues to discuss with the delegate for the statistics of the country.

Financial institutions

Outstanding issues on financial institutions statistics will be taken up by monthly correspondence.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Finland
Delegate: Mr. Kjell Peter Söderlund, Head of Office,
Central Bank Policy Department, Bank of Finland
Bureau: Mr. McLenaghan
Date: September 28, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

There were no issues of significance discussed. The delegate reported a change in the IBS correspondent:

IBS

Mr. Kjell Peter Söderlund
Head of the International Office
Suomen Pankki
P.L. 160
00101 Helsinki 10, Finland

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Greece

Delegate: Mr. Spyros P. Papanicolaou, Head, International Banking
Division, Bank of Greece

Bureau: Mr. McLenaghan

Date: September 26, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

The delegate agreed to discuss within the Bank of Greece the Fund's request for information on stocks of foreign assets and liabilities.

Financial institution

On the basis of correspondence between the Bureau of Statistics and the Bank of Greece in 1987 concerning a revised classification of the financial institutions accounts, to which a reply was still outstanding, the delegate agreed to convey to the appropriate department in the Bank of Greece a proposal for a short visit from a Bureau of Statistics economist to discuss matters in this area.

Government finance

The delegate was asked to convey to the GFS correspondent in the Ministry of National Economy the Fund's request for projections or estimates of data for recent years in the submission of the GFS returns, as well as to report the lack of data in local government beyond 1982. He was also asked if comments could be provided on the report of the GFS mission that was sent in August 1987.

International banking and external debt

On international banking, the delegate was given a brief overview of the project and of the work of the Bureau of Statistics mission in April-May 1987. It was noted that the problems in the classification of foreign accounts, as mentioned above, had presumably delayed the first returns on

international banking statistics being received by early 1988, as had been expected. The delegate agreed to refer this matter to the appropriate officials in the Bank of Greece.

Follow-up Action

The authorities are to respond to the tentative proposal for a short (three-day) mission to discuss money and banking statistics.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Iceland

Delegate: Mr. Ingimundur Fridriksson, Head, International Department,
Central Bank of Iceland

Bureau: Mr. Dannemann

Date: September 28, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund, with particular emphasis on the review of the United Nations' A System of National Accounts (SNA) and the Fund's subsystems.

There were no issues of significance discussed as far as the country's statistics are concerned. The delegate expressed his authorities' interest to participate in a discussion on the draft of the new SNA, which will be circulated to member countries in due course.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Ireland
Delegate: Maurice O'Connell, Assistant Secretary, Department of
Finance
Bureau: Mr. Brimble
Date: September 27, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

Balance of payments

The question of the nonreporting of stock data on foreign assets and liabilities was discussed and the delegate agreed to take this matter up with the BOP correspondent on his return, with particular reference to stock data on direct investment, portfolio investment, and other private capital.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Italy

Delegates: Mr. Francesco Papadia, Deputy Director, Research
Department, Bank of Italy
Mr. Salvatore Rebecchini, Assistant to Executive Director,
International Monetary Fund

Bureau: Mr. Dannemann

Date: September 26, 1988

The delegation was given a presentation on current developments in the statistical activities of the Fund.

There was a general discussion of the statistical activities of the Fund with particular emphasis on the revision of the United Nations' A System of National Accounts, the international work on external debt and international banking statistics, various Fund methodologies (money and banking, real sector, Guide to IFS), on technical assistance and training and data dissemination on hard disc, replacing tape subscription. Also, the new IFS supplements on public sector institutions, on international liquidity, and on trade statistics, were discussed.

The delegate took particular interest in new ways of data communication and expressed his interest for his authorities' use of modern forms of data dissemination (hard disc).

The Bureau of Statistics was informed that the Bank of Italy had established a new division for statistical information exchange. The new unit is as follows:

Ufficio Informazioni Statistiche

Follow-up Action

IFS correspondent to be amended.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Malta

Delegates: Mr. Anthony P. Galdes, Governor, Central Bank of Malta
Mr. Emanuel P. Delia, Director, Central Bank of Malta

Bureau: Mr. Patel

Date: September 26, 1988

The delegation was given a presentation on current developments in the statistical activities of the Fund.

Real sector

Governor Glades was informed that a letter on effective exchange rate indices and on the proposed Household Expenditure Survey, was mailed to him in mid-September 1988. The scope of the proposed technical assistance mission on real sector statistics was discussed and it was agreed that a mission be scheduled in February 1989 with the following objectives:

1. To review the plans, methodology and the contents of the proposed household expenditure survey with the objective of deriving weights, outlets, and items to be printed for the compilation of a revised CPI and to lay out procedures for the conduct of the survey and processing of its results.

2. To review the methodology of the current manufacturing establishment surveys and recommend measures for the collection of data on hours worked, hourly earnings, and output per man hour for the purpose of calculating unit labor costs for the manufacturing sector and its major branches.

Follow-up Action

Schedule a mission on real sector statistics in February 1989 and send a cable to reconfirm the timing of the visit.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: New Zealand
Delegate: Mr. Ross Tanner, Economic Counsellor,
New Zealand High Commission (London)
Bureau: Mr. Patel
Date: September 27, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

Balance of payments

Mr. Tanner, who is Economic Counsellor at the New Zealand High Commission in London, agreed to ask the Government Statistician to advise the Bureau of Statistics on his authorities plans to improve the currentness of balance of payments statistics in general, and the coverage of data on the capital account of balance of payments in particular.

Financial institutions

Mr. Tanner was provided with a copy of the attachment to the IFS Monthly Letter on discrepancies between the data reported on the IFS Report Form 10R and those published in the balance sheets of the Reserve Bank. He agreed to take up this matter with his authorities, asking them to respond directly to the Bureau of Statistics.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Norway
Delegate: Mr. Knut J. M. Andreassen, Assistant Director,
Economic Department, Norges Bank
Bureau: Mr. Dannemann
Date: September 29, 1988

International banking and external debt

The delegate was given a presentation of recent developments in the statistical activities of the Fund, with particular emphasis on the reviewed revision of the United Nations' A System of National Accounts (SNA) and developments in the field of international banking and external debt statistics. The delegate expressed the Bank of Norway's interest in the review of the new national accounts system and its wish to participate in the review of the system at the time of the circulation of the draft proposal to member countries.

Financial institutions

There was also some discussion of the authorities' wish to report data on monetary accounts in machine-readable form, and it was agreed that the Bureau of Statistics would proceed with this proposal along the lines of previous experience with other countries.

There are changes in the names of official correspondents in the field of IBS and DOT. They are as follows:

IBS

Mr. Leif Eide
Director-General
Foreign Department, Norges Bank

DOT

Mr. Bjerkholdt
Director-General
Central Bureau of Statistics

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Poland

Delegates: Mr. Wladyslaw Czulno, Adviser to the Minister
Foreign Department, Ministry of Finance
Mr. Marian Ryszard Rekiel, Senior Specialist,
Bureau of International Financial Organizations
Ministry of Finance
Ms. Agnieszka Barbara Rudniak, Counsellor
Foreign Department, Ministry of Finance

Bureau: Mr. Brimble

Date: September 27, 1988

The delegation was given a presentation on current developments in the statistical activities of the Fund.

Balance of payments

The delegates confirmed that work is proceeding on compiling quarterly data on an accrual basis. A completed Report Form 1 with data for the second quarter of 1988 was handed to the staff.

Financial institutions

The delegates confirmed that arrangements had been made for the forthcoming technical assistance mission (October 10-21, 1988) to meet with Mr. Marczuk, Deputy Minister of Finance, as well as experts of the Departments of Budget and Financial Planning, and of the National Bank of Poland. The mission will also visit the Krakow voivodship. It was agreed that arrangements will also be made for the mission to meet with representatives of the main commercial banks.

Real sector

The delegates indicated that work is in progress on compiling external trade data in national currency and that monthly data should be available within the next few months. The delegates noted the proposal for a mission to review national accounts and related statistics and it was agreed that this could be discussed further during the October mission.

International banking and external debt

The question of providing a bank/nonbank breakdown of the external assets/liabilities of financial institutions as well as a geographic distribution of these data was discussed. It was agreed that this could also be reviewed during the October mission.

Follow-up Action

Send cable confirming dates of arrival of the October mission.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Romania

Delegate: Mr. Alexandru Tanase, Acting Director,
Currency and Foreign Financial Relations Department
Ministry of Finance

Bureau: Mr. Patel

Date: September 28, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

Balance of payments

Mr. Tanase agreed to take up the subject of the EUR proposed mission, for reconciling external debt data with appropriate components of the balance of payments statistics, with his authorities and respond to the Bureau of Statistics.

Financial statistics

Mr. Tanase would arrange with Mr. Părvu, who is supervising compilation of monetary statistics in Romania, to send all the available current data on monetary authorities and deposit money banks.

Real sector

Regarding the real sector statistics mission to deal with unresolved issues on inconsistencies in the Romanian national accounts statistics, the delegate suggested that such a visit from the Bureau of Statistics should be combined with the next Article IV consultation mission.

Follow-up Action

1. Do not schedule a balance of payments mission until a request is received from the authorities.
2. If more current data on monetary statistics are not received, remind the authorities by cable.
3. Arrange for a Bureau economist to accompany the next Article IV consultation mission to work on unresolved issues on national accounts.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: South Africa
Delegate: Mr. J. H. Meijer, Head, Economic Department,
South African Reserve Bank
Bureau: Mr. McLenaghan
Date: September 29, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

The delegate reported that South Africa continues its position of not providing data on direction of trade statistics. In fact, he noted that the authorities were becoming "more secretive" in their stance on the dissemination of information.

For IFS, BOP, and GFS the correspondent for the Fund will now be Dr. E. J. Van der Mewe.

Follow-up Action

Change correspondent arrangements as described above.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Spain
Delegate: Mr. Luis Angel Rojo Duque, Director General, Bank of Spain
Bureau: Mr. Patel
Date: September 25, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

Mr. Rojo Duque was thanked for the Bank of Spain's continued efforts in sending data for Spain in a timely manner to the Fund.

Balance of payments

Mr. Rojo Duque informed the Bureau that the Bank of Spain is trying to improve the compilation of the capital account of the balance of payments statistics by collecting required data from enterprises.

Real sector

Mr. Rojo Duque expressed some dissatisfaction with the compilation of the indexes of production and prices in Spain since they are based on outdated weights.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Sweden
Delegate: Mr. Thomas J. H. Franzen, Director, Foreign Department,
Bank of Sweden
Bureau: Mr. Dannemann
Date: September 27, 1988

The delegate was given a presentation of recent developments in the statistical activities of the Fund, with particular emphasis on the review of the United Nations A System of National Accounts and the ongoing activities in the field of international banking and external debt statistics.

At present, the Bureau had no substantive issues to discuss with the delegate for the statistics of the country.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Switzerland
Delegate: Mr. Georg Rich, Deputy Head, First Department,
Swiss National Bank
Bureau: Mr. Brimble
Date: September 27, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

There are no specific problems with data from Switzerland. The delegate confirmed that the correspondent list is in order.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Turkey

Delegates: Mr. Gazi Ercel, Director General of Foreign Economic
Relations, General Directorate of the Treasury
Mr. Ercan Kumcu, Secretary General, Central Bank of Turkey

Bureau: Mr. Patel

Date: September 26, 1988

The delegation was given a presentation on current developments in the statistical activities of the Fund.

Balance of payments

In response to the EUR proposal for a mission to investigate (a) the magnitude and impact of the overvaluation of exports on balance of payments statistics, and (b) to reconcile the large differences between the external debt stock data and the flow data, the delegates requested that the mission proposal, together with an outline on the scope of the mission, be addressed to Governor Saracoglu at the Central Bank of Turkey.

Real sector

The delegates were receptive to the proposal for technical assistance to revive the compilation of trade indices and review the methodologies underlying the compilation of consumer and wholesale price indices which have become outdated in weighting patterns. Mr. Kumsu suggested that the mission proposal be addressed to the Governor of the Central Bank, who in turn will confirm the acceptance of a visit after consultations with the State Institute of Statistics.

Copies of communications on the publication of nominal and real effective exchange rates for Turkey in IFS were given to Mr. Kumsu, who agreed to take up the matter with the authorities. Mr. Kumsu will also arrange to report current data on the expenditure of national accounts on IFS Report Form 90R.

Government finance

Mr. Ercel was given the table on "financing and debt" from the Turkey page in the 1987 GFSY, and he agreed to update and send the table to the Bureau of Statistics as soon as possible.

Follow-up Action

1. Address in detail the proposal for a balance of payments technical assistance mission to Governor Saracoglu.
2. Schedule a mission on real sector statistics and address the correspondence to Governor Saracoglu.
3. If responses on effective exchange rates, national accounts, and government finance are not received in eight weeks, send reminders.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: United Kingdom
Delegates: Mr. R. G. Ware, Adviser, Bank of England
Bureau: Mr. Dannemann
Date: September 28, 1988

The delegate was given a presentation of recent developments in the statistical activities of the Fund, with particular emphasis on the review and revision of the United Nations' A System of National Accounts and the developments in the field of international banking and external debt statistics.

The delegate expressed the Bank of England's interest in the review of the national accounts system and said that the Bank would wish to participate in the review of the system at the time of the circulation of the draft to member countries.

Financial institutions

Outstanding issues on financial institutions statistics will be taken up by monthly correspondence.

Follow-up Action

Nil.

1988 Annual Meetings

(Bureau of Statistics Meeting)

Country: Yugoslavia

Delegate: Mrs. Gordana Hofmann, Director, Department for Cooperation
with International Financial Institutions, National Bank
of Yugoslavia

Bureau: Mr. Patel

Date: September 29, 1988

The delegate was given a presentation on current developments in the statistical activities of the Fund.

Balance of payments

Mrs. Hofmann requested that, if the Bureau wishes to receive a prompt response to balance of payments queries in the future, all communications to the BOP correspondent, Mr. Predrag Tonkovic, should be copied to her.

Financial institutions

Mrs. Hofmann suggested that a Bureau economist participate in the Fund's Article IV consultation mission scheduled for early December 1988 in order to resolve discrepancies between data on commercial banks' foreign assets reported for BOP and those reported for money and banking. During this visit an attempt could also be made to reconcile differences between data reported to the Bureau and those provided to EUR.

Real sector

Mrs. Hofmann was receptive to the proposal for technical assistance in the area of national accounts, trade indices and prices. She would, however, appreciate it if the subject of the acceptance of the visit and its timing could be discussed during the Fund's Mid-Term Review mission scheduled in mid-October 1988.

The copies of the last cable on the publication of effective exchange rates in IFS were provided to Mrs. Hofmann. She suggested that this subject could be resolved in Belgrade if Mr. Thomsen raises it once again during the mid-term review mission.

Follow-up Action

1. Discuss with EUR the possibility of the participation by an economist from the Financial Institutions Division in the Article IV consultation mission in December 1988.
2. Send an urgent request to EUR to discuss the proposed technical assistance mission on national accounts and prices and its timing during the Mid-Term Review mission (mid-October 1988).
3. Request Mr. Thomsen (ETR) to get the final approval on the publication of effective exchange rates in IFS from the authorities during the Mid-Term Review mission (mid-October 1988).
4. Add Mrs. Hofmann to the correspondents list as the BOP cc.

DMD meetings

<u>Department</u>	<u>Country</u>	<u>Date</u>	<u>Time</u>
EUR	South Africa	Fri., Sept. 30	11:30 a.m.

BERLIN 1988

SUNDAY, SEPTEMBER 25

8.00 6-10 Ministers & Governors, Saal 5, ICC
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2.30 Mr. Evans Room 10.2-37
2.45
3.00 MR/PolsF - Mr. Fekete, Room 10.2, 37
3.15
3.30
3.45 Romanians - 10.2-37
4.00
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6.30-8.30 Reception - Messrs. Riesen & High. Pemberton, Hohmannstrasse 10
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7.00 Reception - Chairman Board of Governors Museum of
Computation & Technology
7.15
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1998 SEPTEMBER 1998
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from SEPTEMBER 26

MONDAY, SEPT. 26 270/96	TUESDAY, SEPT. 27 271/95	WEDNESDAY, SEPT. 28 272/94
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9:15 <i>Document Committee</i>	9:15 <i>MR - all Klambs, Austria</i>	9:15 <i>Spain - 11-1-03</i>
9:30 <i>collecting Room #2</i>	9:30 <i>4th Klambs, Room 10-2-27 C</i>	9:30
9:45	9:45	9:45 <i>at Gahrnk Hall 17-80</i>
10:15 <i>MR - all Klambs, Austria</i>	10:15 <i>Animal collecting</i>	10:15
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3:15 <i>all Evans</i>	3:15 <i>G-10 Deputies - Pollican</i>	3:15
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4:30 <i>all Doyle Hall 17-59</i>	4:30 <i>all Vial Room 10-2-37</i>	4:30 <i>MR - Presentation & Reception</i>
4:45	4:45	4:45
5:15 <i>7-30 Reception - Sir K & 4</i>	5:15	5:15
5:30 <i>Early collection at Cauphan</i>	5:30 <i>all Fekete 10-2-37</i>	5:30
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6:15 <i>Reception - President & all</i>	6:15 <i>Reception - African ICC</i>	6:15
6:30 <i>all Wenzelker</i>	6:30 <i>Reception - African ICC</i>	6:30
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to **OCTOBER 2**

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Hughes - Affected to find principle
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M.D.

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THE INTERNATIONAL MONETARY FUND ARCHIVES

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Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-09-28
TYPE	Memorandum
TO	Mr. Frenkel, Mr. Outtara, Mr. Van Houtven, et al.
FROM	A.F. Mohammed
SUBJECT/TITLE	Press Reception
NO. OF PAGES	1
AUTHORITY	Board of Governors
LANGUAGE	English

Hall 10.2-37



INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

MANAGING DIRECTOR

CABLE ADDRESS
INTERFUND

September 26, 1988

MEMORANDUM

To: Mr. Whittome
Mr. Ouattara
Mr. Beza
Mr. Laske
Mr. Narvekar
Mr. Russo
Mr. Shaalan

From: Mr. Simpson HS

Subject: Bilateral Meetings with the Managing Director

Attached are revised schedules of bilateral meetings with the Managing Director. All meetings will be in the Managing Director's Office at the ICC (Hall 15.1, Room 15) unless otherwise indicated.

Changes are indicated by a dash (-).

Attachments

cc: The Deputy Managing Director

<u>Department</u>	<u>Country</u>	<u>Date</u>	<u>Time</u>
EUR	Germany - Mr. Klein	Tuesday, Sept. 27 after the opening or at 7:15 p.m.	
	Poland	Friday, Sept. 30	8:30 a.m.
	Australia	Monday, Sept. 26	3:30 p.m.

The meeting with Mr. Klein could take place around 12:15-12:30 but Hugh won't know until he knows how long the opening session last.

P

Subject



Office Memorandum

TO: Mr. Peter Hole

September 25, 1988

FROM: Massimo Russo *MR*

SUBJECT: Annual Meeting Speech

I have two suggestions to insert into the Managing Director's Annual Meeting speech. I am not sure, however, if the Managing Director is willing to include the first insertion in view of the lack of progress on ESAF.

Attachment

Insert page 1 to be added at the end of the first paragraph

This is yet another example of the Federal Republic of Germany's constructive role in fostering international cooperation.

Insert page 6, end of the paragraph which begins on page 5

I should note here that rich lessons in these various areas can be drawn from the experience of our host country. Not only is there a remarkable record of financial stability in Germany but performance in the economy also shows how important supplementary structural actions can be for such stability to yield its full benefits.

Address by M. Camdessus,
Chairman of the Executive Board and Managing Director
of the International Monetary Fund,
to the Board of Governors of the Fund

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I would like to join previous speakers in greeting delegates to the
Forty-Third Annual Meetings. And I should like to express our warmest
thanks to the Government of the Federal Republic of Germany and to the
authorities of the city of Berlin for their exemplary preparations and
their most cordial welcome. []

Here, in Berlin, it is timely to reflect on the origins of the
Bretton Woods institutions, institutions created by men whose countries had
paid the price of protectionism, of unilateralism, of every-nation-for-
itself policies. It is timely, not for reasons of nostalgia, but because
we need to turn our attention to the future, and we need--like the
founders of our institutions--to act wisely and boldly as we prepare to
enter the final decade of the century.

Let us look to this challenge. Instead of confining our attention to
the year now reaching its end and the period immediately ahead, let us
broaden our view to cover the next several years. In this spirit, I should
like this morning to focus on some of the problems that we shall have to
confront and the ^{goals} ~~ambitions~~ we should set in the period ahead.

First, though, let us look briefly to the lessons of the past. The
1970s and 1980s have been a difficult period for the world economy. We

have witnessed profound changes and great volatility in the exchange system, sharp increases in commodity prices, high rates of inflation, the deepest recession of the postwar period, the debt crisis and an interruption of the development process in a large number of developing countries, large financial imbalances in industrial countries, mounting protectionist pressures

These have been hard experiences, but good teachers. They have taught us many lessons. I would particularly emphasize the following:

First, global interdependence makes it essential to seek cooperative and coordinated solutions to the problems we face.

Second, financial stability is the ally--not the enemy--of growth. Attempts to force the pace of expansion through excessive deficits, excessive monetary growth, or excessive foreign borrowing, simply mortgage growth.

Third, we have for too long neglected the functioning of markets at the microeconomic level. Sensible structural policies are a sine qua non for soundly-based growth and high employment.

Fourth, to adapt Walter Bagehot's famous aphorism, international money will not manage itself. We must give attention to the evolution of the international monetary system.

Fifth, the debt crisis is as much about growth as it is about debt. There can be no solution to the debt problem without a renewal of growth.

Five lessons. And I believe that there are also five objectives--
five areas of ambition ^{in goals} --that we should set ourselves as we now look ahead.

Our first must be to sustain growth in the industrial countries.

The health of the world economy depends fundamentally on economic expansion in those countries, and we can all draw comfort from the fact that this year's performance is turning out to be unexpectedly strong. But, in so doing, let us not forget that the present upswing is now six years old; that it has been lackluster in many countries; and that it has not succeeded in bringing down high rates of unemployment here in Europe. This situation poses two challenges: how to extend the current expansion, and how to restore the earlier dynamism of those economies where growth and job creation have lagged?

How to do this, moreover, at a time when we are faced with two potential threats? One is familiar, namely, the persistence of large payments imbalances among the major industrial countries. The other is more recent, namely, the emergence of signs that inflation may be picking up.

The recent reductions in the current account imbalances of the three largest countries are encouraging. But we should not allow ourselves to be lulled into a sense of false security. The payments imbalances that we presently foresee in the medium term are of such a size as to remain a source of concern. Dealing with them will require a continuation of the cooperative approach that the major countries have been pursuing over the last three years and a reinforcement of policies under that approach.

As concerns the second threat, the central requirement is to avoid the return of inflationary psychology. Once inflationary expectations become

embedded, it is too late. It is then costly and time-consuming to eradicate them. There are on the horizon a few scattered warning signals. Capacity utilization rates have been rising in most industrial countries; labor market conditions are tightening in some countries; non-oil commodity prices are well above last year's levels. In addition, developments in national monetary aggregates--while not always easy to interpret--surely suggest the need for special vigilance in the period ahead.

I believe we can deal with both these matters and make growth in the industrial countries more durable. To do this, we need good policies-- policies that have a clear medium-term focus and that are implemented with commitment and consistency. The principal ingredients are well known: fiscal ^{consolidation} ~~restraint~~, monetary stability, and structural reform. But where should the relative emphasis be placed?

The key task, it seems to me, falls to budgetary policy. We know better now that the activist use of fiscal instruments to stimulate economic activity can be self-defeating. The expansion of government spending and deficits pushes up real interest rates, crowds out productive investment, and stifles entrepreneurial initiative. As public debt mounts, it creates damaging uncertainties in financial markets. Prudent budgetary policies, on the other hand, can help release real and financial resources for the most productive uses.

Fiscal restraint is currently warranted in several countries, not least the United States, where firm action to continue redressing the budgetary imbalance has a central role to play in improving the payments position and strengthening investment. A strong budgetary position in the

United States would also help make exchange markets more resilient in the face of unexpected developments; and it would lower real interest rates, with beneficial effects for indebted countries. Surplus countries, on the other hand, need to ensure that the recent strengthening in the pace of their domestic demand growth is maintained. Indeed, all must continue to work together to preserve the momentum of global external adjustment. And the newly-industrialized economies, which are becoming a steadily weightier force in the world economy, must be counted on to share in this task.

The need for monetary stability--the second ingredient I mentioned--is a lesson that was painfully driven home in the 1970s. In that period, monetary laxity allowed inflation to ratchet upwards to ever higher levels. The distortions that were created ultimately lowered both investment and growth. Moreover, the costs of eliminating entrenched inflation far exceeded any transient gains during the period when inflation was accelerating.

Central banks have clearly acted wisely in recent months in showing their determination to do whatever is necessary to keep at bay the forces of inflation. But let us be careful not to repeat the mistake we have committed before: that is, leaving it to monetary policy alone to carry the burden of controlling inflation. It is too much to ask monetary instruments to counter the inflationary effects of budgetary disorders. There is no substitute for action at the source to curb unsustainably large fiscal deficits.

Sound fiscal and monetary policies, however, provide no more than a supportive environment for growth. Whether growth is strong or weak

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depends on the saving, investment, and resource allocation decisions of society. This means that markets must function efficiently. And the fact is that, over the years, the industrial economies--like the developing countries--have accumulated a complex array of rigidities and impediments to efficiency. That is why structural policies can no longer be regarded as being on the periphery of economic policy. They must be center stage. Not, I hasten to add, as a substitute for the necessary adjustment of macro policies, but to complement them and make them more effective instruments for supporting growth and job creation. Accordingly, in our efforts to sustain the upswing, let us put the appropriate emphasis on addressing structural problems.

Our second objective, as I see it, should be to facilitate freer international trade.

The persistence and intensification of trade restrictions in recent years, particularly in the industrial countries, is a major blemish on the international system. We all know that this is rooted in national policy deficiencies. We all know that protectionism is a costly and ultimately self-defeating response. And we all know that the liberalization of trade policies and the removal of protective subsidies--not least in the agricultural sector--would improve the efficiency of resource allocation, help maximize welfare in all countries, and facilitate the adjustment efforts of heavily indebted countries.

Recognition of these realities is reflected in the broad scope of multilateral trade negotiations under the Uruguay Round. The Punta del

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Este Declaration points the way forward. And the strengthened outlook for world trade in the immediate future provides a golden opportunity to turn words into action. Let us seize this opportunity, swiftly and boldly.

* * * * *

Third, we need to strengthen the international monetary system.

A little noticed milestone in 1988 was the tenth anniversary of the ratification of the Second Amendment to the Fund's Articles. That amendment, though, contains unfinished business, in that Article IV asks the Fund to adopt "specific" principles to guide members' exchange rate policies. It would be timely in the period ahead to consider whether more precision might not usefully be given to the existing guidelines here.

too negative term?

A decade and a half after the beginning of generalized floating, the contours of new international monetary arrangements are now beginning to emerge. The new arrangements are based on intensified policy coordination. They reflect a recognition that excessive exchange rate volatility imposes significant costs, but that it is neither feasible--nor desirable--to move back to a system of fixed exchange rates.

How can one characterize the new arrangements? They involve a mixture of substantive and procedural elements. Substantively, there is a general recognition that the major countries have a collective responsibility to achieve a low and stable rate of inflation--to be a "club" of low inflation. Similarly, it is recognized that fiscal and structural policies should be framed to help support international adjustment and reasonable stability in foreign exchange markets. Lastly,

the major countries have agreed to use intervention, where necessary, to counter disturbances in exchange markets.

These substantive elements of emerging monetary arrangements are supported by technical and procedural elements. One of the most important has been the gradual refinement of economic indicators. Indicators are not a magic formula. But they help define the scope of policy coordination discussions, as well as make them more systematic and concrete. They also provide a standard by which to set objectives and to monitor progress toward such objectives.

Over the past year, coordination has continued to make considerable strides. But we still need to consider how existing mechanisms can be strengthened. How can medium-term goals be better translated into short-term policy requirements? How can the interests and the views of smaller countries be properly taken into account in policy coordination by the major industrial countries and in the evolution of the international system? What obligations should smaller countries be expected to shoulder? More generally, how can we best evaluate the many proposals for systemic reform and determine the best possible anchor for systemic stability?

These are not issues that need to be, or can be, resolved overnight. Nevertheless, they ^{should} ~~need to~~ be borne in mind as we look to the medium-term task of adapting international monetary arrangements to the needs of the 1990s. The Fund, which--according to its Articles--was specifically created to provide "the" machinery for consultation and collaboration on international monetary problems, has to help its membership focus more sharply on these questions. Accordingly, I am delighted that the Executive

Board recently decided to give a special priority in the coming period to its work on the international monetary system. This work will proceed jointly with ongoing work aimed at strengthening cooperation among the seven major industrial countries. It should make a useful contribution to a sounder international framework.

Lastly, let me touch on the subject of the SDR. The international monetary system, which we are now working to strengthen, needs a mechanism to provide both conditional and unconditional liquidity. I firmly believe that an internationally issued and regulated instrument has clear advantages over the haphazard and sometimes costly reliance on private markets. We need to give a vote of confidence to the SDR. We also need to put the role that it can play on the agenda in our reconsideration of the system as a whole.

* * * * *

Sustainable growth in the industrial world, freer trade, a more stable exchange system. With these, we would have a favorable environment in which to pursue our fourth ambition: to have developing countries, and especially heavily indebted countries, grow at a more satisfactory pace and grow out of their debt difficulties.

Debt and growth. The two simply cannot be separated. ~~[There can be no]~~ ^{Growth is} part and parcel of the solution to the debt problem without a restoration of growth. And for indebted countries, ^{for} durable growth cannot be restored ^{to} unless their debt is dealt with. This challenge continues to require a tremendous effort from each of us. No one of us can say that the problem is over, or that it no longer concerns him. No one of us!

Too slow up a linker ge?

debt must be

A clear distinction needs to be made, of course, between those developing countries that have faced serious debt difficulties over the past few years and those that have avoided such difficulties. The latter group has had a broadly satisfactory experience. Their growth in the 1980s has averaged about 6 percent; investment has stayed high, and access to credit markets has remained open. To be sure, many of them continue to face difficult challenges, and they deserve the full solidarity of the rest of the world as well as the active support of our institutions. But a striking contrast exists between their situation and that of debt problem countries. In the latter, growth has been low, investment has been depressed, and spontaneous lending has all but dried up.

The problem faced by countries with debt difficulties is not a simple one of failure to adjust. For the most part these countries have achieved substantial improvements in their trade balances, often despite adverse movements in their terms of trade. The problem is that the progress achieved has not been sufficient to support an adequate level of output or export growth, or to create adequate employment opportunities for their growing populations. Too often it has been at the cost of a sharp drop in imports and domestic investment. This has created two vicious circles.

Low investment, particularly when combined with low-quality investment, leads to low growth. Low growth makes it harder for governments to implement policies that generate savings and that stop those savings from going abroad. So investment remains low, exports weak, and policy implementation unsatisfactory. The social and political

consequences of this are all too obvious. Corrective action becomes more and more difficult, and eventually political stability can be threatened.

In parallel, a second vicious circle develops in the financial field. With dubious growth prospects and hesitation in the implementation of agreed economic policies, the ability and readiness to add debt on debt vanishes. Arrears appear; the reluctance to lend intensifies; capital flight accelerates; delays in assembling financing packages lengthen; the adjustment program comes under sharper scrutiny domestically; and its implementation stops--all of which retards growth further.

The two circles, moreover, intersect, bringing matters often to the verge of an impasse. This has to be reversed and opportunities recreated to allow these countries to grow out of their debt. How?

To begin with, two requirements are inescapable. The first is that the indebted countries themselves must tackle their problems with the utmost resolve and steadiness. This is an absolute prerequisite if they want to come to grips with realities and achieve lasting growth. In saying that, I do not underestimate the courage required, nor what has already been done. But the principal elements of a successful policy approach aimed at restoring sustainable growth are clear to us all. It is crucial to re-establish financial stability through disciplined monetary and fiscal policies. More resources for development must be mobilized domestically. A structure of incentives must be created that helps countries exploit their comparative advantage. And vigorous action must be taken to dismantle barriers to foreign direct and portfolio investment.

World Bankish

The second basic requirement is that the world financial community take all necessary steps--as soon as possible--to reverse the current flow of resources from the developing to the developed world. The present trend may be understandable, but it is not acceptable. Theory and common sense both suggest that capital should go where the higher investment needs are and, with them, the true opportunities for profit. It is our common task to restore the conditions for a normal pattern of financial flows. This is not only sound economic logic. It is also the most elementary way of supporting the efforts of countries striving to adjust.

Now, some countries have put it to me that they are waiting for the moment when external support is effectively in place before moving decisively to adjust. Let me say to them that they risk achieving neither the financing, nor the economic progress. They risk seeing the situation continue to deteriorate, making still more difficult the problems which will have to be addressed one day or another. This miscalculation is at the root of many of the most difficult problems facing us today. Another is the premature easing of the policy effort.

This being said, let us also recognize that the two requirements in question are interdependent. Improved policies will be hard to sustain without outside financial support and without a satisfactory global environment. Conversely, financial support will hardly be forthcoming--and indeed cannot be justified, except for humanitarian purposes--unless the right policies are being followed by the borrowing country.

Recognizing this, how we can help to move matters forward? We need,

first, to distinguish between low-income and middle-income indebted countries.

For low-income countries, the past two years have seen a number of positive developments. First of all, progress has been made by official creditors in offering stronger financial support to countries embarking on policy reforms. In particular, the initiative launched at the Toronto summit has the potential to ease significantly the debt-service burdens of the poorest countries, and a number of individual official creditors have already implemented far-reaching debt relief measures. Debt relief, though, is not enough. Grants and highly concessional loans in support of policy reform are also needed, and official creditors must increase their bilateral development assistance for well-conceived investment programs.

The World Bank, through its special assistance program, has also taken important steps in favor of low-income countries, particularly in sub-Saharan Africa, while we in the Fund have established the Enhanced Structural Adjustment Facility. I reported to you last year on this initiative and asked for your support. Today, I am happy to be able to say that the facility is in place; that two programs have already been approved; and that four more are expected to come before the Executive Board shortly.

You may ask, what will be different at the end of three years for countries implementing those programs? For the six cases that I have mentioned, let me tell you what the programs envision. Positive per capita economic growth will have been restored and maintained--something we have not seen in sub-Saharan Africa for almost two decades; the rate of

inflation will have been reduced substantially or kept relatively low; a sustainable external position will have been restored; arrears will have been settled; exchange reserves will have been considerably strengthened; the ratio of domestic savings or of investment to GDP--often both--will have increased markedly; and the fiscal position will have improved substantially.

These are the program targets, and they are attainable. But it will require a sustained effort and great care and courage to translate them into facts. Even then, these countries will remain very vulnerable, and their growth rates, though improved, will not have reached the levels that we would like to see. But the basis for growth will have been strengthened.

In the light of these possibilities, my gratitude to those who have contributed to this initiative is immense. And I am hopeful that those countries that have felt unable to contribute to date, or have not been able to contribute to their full possibilities, will urgently reconsider their position. For although we have achieved what in the banking community would be termed a critical mass, more is needed. We will not publish the list of contributors today, because we prefer to wait for the moment--which I hope will come in the very near future--when this list will include all potential contributors. All those who have already contributed--some of them exceptionally generously--will forgive me if I make special mention of the contribution of several developing countries; evidence, indeed, that the spirit of solidarity does not recognize conventional boundaries.

While the task of providing support for the efforts of low-income countries rests primarily with official creditors, private creditors also have a role to play and should stand ready to contribute to the process of debt relief. The reduction of Bolivia's commercial debt at the beginning of this year was a type of initiative that we could usefully do with more of.

Let me now turn to the middle-income indebted countries. One cannot fail to recognize that in their case we face growing doubts and impatience about the effectiveness of our common strategy. We know, of course, that it will take more time than expected to achieve its objective. But let me say this: the strategy has achieved much; it is still working in spite of debtor and creditor fatigue; and it remains valid for the future provided that it retains its basic characteristics, in particular its adaptability to changing circumstances and its principle of shared responsibility.

It is my belief that without departing from the case-by-case market-based approach we have been following to date, we can make a profound difference over the next five years in the growth of the indebted countries and in the restoration of their external creditworthiness. And we can start making this difference now.

How? First, by recognizing fully the role that debt reduction operations can play within the menu approach. Second, by strengthening the overall medium-term framework for promoting genuinely growth-oriented adjustment. And third, by making moderate adjustments in the contributions of all parties to the strategy. Let me elaborate.

(1) The position of the Fund's Executive Board, when late last month it again reviewed the debt strategy, was clear: the provision of new money by the banking community remained essential, but at the same time, it had become increasingly relevant for financing packages to include operations designed to reduce the existing stock of debt. This was seen as having general validity, applying even in the case of countries that are not far away from recovering access to the market. In certain cases, when the level of indebtedness remains an insurmountable obstacle to returning to conventional financing within a medium-term perspective, a gradual and more fundamental reorganization of the indebted country's external liabilities should be considered.

The importance accorded to market-based debt reduction should come as no surprise. If--without seeking to force the hand of the market, and with effective cooperation from the banks--we could put those heavily indebted countries that are making policy adjustments in a position gradually to repurchase their existing debt at a market-based price, various benefits would accrue:

- the medium-term growth outlook of these countries would improve as the share of the national product and of external resources allocated to debt repayments would gradually revert to more tolerable levels;

- debt ratios would fall more perceptibly, providing important evidence to the general public in these countries that matters were moving forward; and

- many banks would be able, through such operations, to restructure their portfolios.

Debt reduction operations have thus to form a significant part of financing packages.

(2) At the same time, we need an improved medium-term framework for growth-oriented adjustment. What can the Fund do to provide this? As I see it, our task in the future will continue to be, first and foremost, to offer our traditional policy advice. But, if requested, the Fund could also assist members in devising financing scenarios on which debt management policy and negotiations with creditors could be based. Our financial support should promote effective adjustment and provide a credible framework against which new money and debt reduction operations could properly develop. For that, our instruments and approach must be suitably adapted for situations in which adjustment will be a drawn-out process and involve far-reaching structural reforms. This was precisely the rationale for the revitalization of the Extended Fund Facility.

However, it is also clear that if adjustment programs are to offer a reliable medium-term framework, policies have to be protected against external shocks. This is why we have also put in place a new Compensatory and Contingency Financing Facility. It will help protect economic programs against unforeseen external developments that might have interrupted their implementation--developments such as a rise in interest rates, a surge in import prices, or a fall in export earnings due to the evolution of prices or the movement of workers remittances. But, of course, the Fund cannot handle these difficulties alone. The country itself will have to play its part by adapting its program. And we would expect other creditors to contribute to the additional financing that will

need to be provided. We would intend soon to invite the banking community to exchange views with us on this new area for cooperation.

This is the renewed financial framework we can offer. We have not created a debt facility as some have suggested, and views on the desirability of such an approach are, to say the least, quite divided. What we have done is to establish a framework that allows all parties to go a long way toward meeting our common objective. This approach, though, can only work if all of us continue to accept the principle of shared responsibility--if all of us, that is, agree to adjust our own contributions to the strategy in order to make it more effective. This brings me to my third ingredient.

(3) As you know, the Fund itself stands ready, where appropriate, to contribute to strong adjustment programs by increasing the access of members to Fund credit within the currently established limits, and to go beyond those limits in exceptional circumstances. A role of paramount importance is also being played by the World Bank, whose sectoral and structural adjustment loans are now key elements in the overall financing of many middle-income countries. But the need for a better level of financial support for well conceived policies has to be faced by all. I therefore encourage official creditors also to do more.

Allow me, in this context, to pay tribute to the flexibility shown by the Paris Club, working in close cooperation with the Fund in approaching the debt problems of the middle-income countries. Allow me also to express my deep appreciation for the announcement by the Government of Japan that it intends, in parallel with Fund arrangements, to extend additional

financing to these countries in the form of untied loans at an interest rate below the long-term prime lending rate of private banks in Japan. This initiative clearly strengthens the debt strategy. It is one that I hope will be followed by other countries, in particular surplus countries, in the near future. Such countries have a responsibility here from which they cannot shy away. They can contribute in various ways. But they have to consider how they can do more. We stand ready to facilitate the appropriate bilateral operations.

The response of official creditors should also serve as a spur to the banking community--which has strengthened its financial position in recent years--to do more. Since 1985, public institutions have doubled their share of the overall financing provided to the large heavily indebted middle-income countries. Such an effort can only be justified before public opinion--and thereby sustained--if banks make a comparable effort to provide new money, more attractive terms, or a reduction in the burden of debt. This reduction could--when justified by the plight of the countries or the financial and commercial interest of individual banks--incorporate forgiveness of interest or principal payments, or long-term capitalization of interest at below-market rates. This could substantially strengthen the medium-term outlook of indebted countries and hasten the restoration of their access to normal financing. I note with deep interest that more and more voices within the banking community are sympathetic to this, and I cannot but encourage banks to consider such moves. I have every confidence that they will find a way to accommodate initiatives of this kind in their

financing packages. And I trust that the regulatory authorities will ensure that their practices do not hamper such efforts.

Let us persevere along these lines. If we do, I firmly believe that five years hence the general picture will be fundamentally different: countries will have grown and debt will have been reduced to more sustainable levels.

* * * * *

I come, finally, to our fifth objective: And that is to strengthen the Fund to enable it to discharge its responsibilities.

It is our responsibility--all of us gathered here--to see that the Fund is adequately equipped with the resources it needs to play its role in dealing with the variety of issues that will face the world economy in the years ahead. It must have intellectual resources--that goes without saying. It must also have the moral resources that come from the unified backing and support of you, its Governors. Lastly, it must have the financial resources to make a major contribution to the financial problems with which it has to deal.

The Fund is a cooperative institution-- the common instrument of all its members, united by the pledge to make it strong and responsive. But there are dangers facing it, with the gravest potential threats coming from its very own members. A country going willingly into arrears takes itself out of the mainstream of international financial cooperation, but it also deprives the institution of the necessary means to assist poorer countries on the best possible terms. So I warmly welcome the endorsement by the Interim Committee of the report of the Executive Board on my proposal for a

strategy of intensified collaboration to tackle the problem of overdue obligations--a collaborative strategy that pays due regard to the exceptional plight of some of these countries.

A second major concern is that the membership not misjudge the real magnitude of our financial need for the beginning of the 1990s. Early next year, you will be called upon to decide on a quota increase. From my remarks this morning, it will, I trust, be self evident that the Fund needs a substantial increase in quotas, both to buttress its lending capacity without relying too much on borrowed resources and to demonstrate the commitment of its membership to its continuing mission. The simple fact is that a financially strong Fund is in the interests of all Fund members. You, our Governors, are the ones best placed to explain that fundamental truth to your colleagues in government and to your electorates at large. I confidently look for your support, which is so essential.

Mr. Chairman, I have set forth five objectives for the international community--objectives which stem from basic imperatives. We must resolve to see that the 1990s produce a more stable world economic environment, in which the elusive goal of sustained noninflationary growth becomes a reality. We must resolve to see that the fruits of economic progress are shared more evenly both among countries and between segments of society. We must resolve that the spirit of cooperation that unites us in the Bretton Woods institutions continues to flourish. These are high ambitions. But they are attainable, and we must constantly keep in mind the tremendous costs we incur if we do not achieve them. Let us therefore

join forces. Let us demonstrate that unwavering cooperation can be more effective in achieving peaceful prosperity and global development than unilateralism can be in bringing on recession and misery.



THE INTERNATIONAL MONETARY FUND ARCHIVES

RECORD CLOSURE NOTICE

The item identified below has been closed in accordance with the International Monetary Fund's IMF's Open Archives Policy (Decision No. 14498 – (09/126), adopted 2009-12-17 and effective 2010-03-17, as amended. This policy can be found on the International Monetary Fund website.

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- ☐ Records and proceedings of the Grievance Committee
- ☐ Records acquired by the Fund by Third Parties, including Member Countries, with security classifications of 'CONFIDENTIAL' or above. (Declassification can be requested)
- ☒ Other sensitive nature: BoG

Archival Ref No.:	593252
File Title & Dates:	Annual Meetings - Correspondence (Berlin), 1988
Fonds:	European Department Records, 1946-1994
Sous-fonds	European Department Immediate Office Records, 1946-1994
Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-09-25
TYPE	Memorandum
TO	Mr. Outtara, Mr. Whittome, Mr. Beza and Mr. Shaalan
FROM	Richard D. Erb
SUBJECT/TITLE	Bilateral Meetings with the Deputy Managing Director
NO. OF PAGES	2
AUTHORITY	Board of Governors
LANGUAGE	English

002697

RECEIVED INTERMEET

1988 SEP 23 P 7:01

180150 fbams d
180150 fbams d
65832 bpadm p
mr. michel camdessus
managing director
imf

I should very much like to have the opportunity for a brief interview with you on the occasion of the imf/world bank meetings, preferably wednesday or thursday morning.

we shall contact your office in berlin to know whether the interview will be possible and, in the affirmative, the date and time.

best regards.

j.a. tavares moreira
governor
banco de portugal

Orig; EUR
cc; MD
DMD
MR. ZECCHINI
EXR
SEC
MR. H. SIMPSON

180150 fbams d
65832 bpadm p



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DETAILS OF WITHDRAWN MATERIAL

DATE	1988-09-23
TYPE	Letter
TO	All Delegations, Fund and World Bank Offices
FROM	Joint Secretariat
SUBJECT/TITLE	Admission for members of the press
NO. OF PAGES	1
AUTHORITY	Board of Governors
LANGUAGE	English



Office Memorandum

To:

From:

Subject: Special Pass for Interim Committee Plenary Sessions

September 23, 1988

Enclosed herewith is the special pass for admission to all sessions of the Interim Committee on Sunday and Monday.

Only those persons wearing the special pass (together with the meetings identification badge) will be admitted into the meeting room (Saal 2). Seating will be strictly limited. The Chairman has further instructed that no standing will be permitted. No duplicate passes will be issued without a memorandum to the Secretary stating the circumstances.

Enclosure: (1 pass)



INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

DEPUTY MANAGING DIRECTOR

CABLE ADDRESS
INTERFUND

September 23, 1988

MEMORANDUM

To: Mr. Frenkel Mr. Narvekar Mr. Hernandez-Cata
Mr. Ouattara Mr. Russo Mr. Holder
Mr. Van Houtven Mr. Shaalan Mrs. Junz
Mr. Whittome Mr. Beith Mr. Lang
Mr. Beza Mr. Bhatia Mr. Leddy
Mr. Gianviti Mr. Boorman Mr. Munzberg
Mr. Laske Mr. Crockett Mr. Wiesner
Mr. Mohammed Mr. Goldstein Mr. Williams

From: Richard D. Erb *RDE*

Subject: Attendance at Ministerial Meetings of the G-24, G-10, Interim
and Development Committees

In addition to the Managing Director, myself, and Mr. Simpson, as required, the attached table shows authorized attendance of staff members of the Fund at the indicated meetings.

Owing to the limitations on attendance in the meeting rooms at any one time, the attached list has been determined on the basis of the agenda items that are likely to figure during the discussions. It may, however, become necessary to call on various members of the staff to substitute for others when specific matters arise. Thus, I would continue the practice of asking those not designated initially to be available, or to have an alternate available, during the period of the meetings.

Attachment

cc: The Managing Director
Mr. Simpson

AUTHORIZED STAFF ATTENDANCE

BERLIN (WEST), GERMANY

September 1988

	G-24 Ministers	G-10 Ministers	Interim Committee Plenary 1/	Interim Committee Informal	Development Committee Plenary 3/	Development Committee Informal 4/
Frenkel	X	X	X	X	X	X
Ouattara	X	-	X	X	X	X
Van Houtven	X	X	X	X	-	-
Whittome	X	X	X	X	X	X
Beza	X	-	X	-	-	-
Gianviti	X	X	X	X 2/	-	-
Laske	X	X	X	X 2/	-	-
Mohammed	X	-	X	-	-	-
Narvekar	X	-	X	-	-	-
Russo	-	X	X	-	-	-
Shaan	X	-	X	-	-	-
Beith	X	X	-	-	-	-
Wiesner	X	-	-	-	X	X
Bhatia	X	-	-	-	-	-
Boorman	X	-	-	-	-	X
Crockett	X	-	-	-	-	-
Goldstein	X	-	-	-	-	-
Hernandez-Cata	X	-	-	-	-	-
Holder	X	-	-	-	-	X
Junz	X	-	-	-	X	X
Lang	-	-	-	-	X	X
Leddy	X	-	-	-	-	-
Munzberg	-	-	-	-	-	X
Williams	X	-	-	-	-	-

1/ Participants, when absent from the session, may ask a deputy to assume their places.

2/ For Item on Overdues.

3/ Only three chairs provided for staff.

4/ Only seven chairs provided for staff.



INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

MANAGING DIRECTOR

CABLE ADDRESS
INTERFUND

September 23, 1988

MEMORANDUM

To: Mr. Whittome
Mr. Ouattara
Mr. Beza
Mr. Laske
Mr. Narvekar
Mr. Russo
Mr. Shaalan

From: Mr. Simpson *TS*

Subject: Bilateral Meetings with the Managing Director

Attached are revised schedules of bilateral meetings with the Managing Director. All meetings will be in the Managing Director's Office at the ICC (Hall 15.1, Room 15) unless otherwise indicated.

Changes are indicated by a dash (-).

Attachments

cc: The Deputy Managing Director

<u>Department</u>	<u>Country</u>	<u>Date</u>	<u>Time</u>
EUR	Germany		
	- Dr. Brantner (KfW)	Friday, Sept. 23	9:30 a.m. ✓
	- Mr. Stoltenberg	Friday, Sept. 23	10:00 a.m. ✓
	- Mr. Klein	Saturday, Sept. 24	6:00 p.m.
	United Kingdom	Friday, Sept. 23	7:15 p.m. ✓
	Yugoslavia at Hotel Kempinski	Saturday, Sept. 24	10:00 p.m.
	Italy	Saturday, Sept. 24	11:45 a.m. -
	Poland	Friday, Sept. 30	8:30 a.m.



Office Memorandum

Mr. Massimo Russo
10.2 (37)

September 22, 1988

TO: Heads of Departments, Bureaus and Offices

FROM: Azizali F. Mohammed }

SUBJECT: 5th Dudley Seers Memorial Lecture

W¹

The Berlin and U.K. chapters of the Society for International Development (SID) are sponsoring the 5th Dudley Seers Memorial Lecture on Sunday, September 25, 1988 at 9:30 a.m. by Mike Faber, Professorial Fellow, Sussex University's Institute of Development studies (leaflet attached). Two notable discussants are Angel Gurria, Mexico's Chief Debt Negotiator, and Kwesi Botchewey, Ghana's Minister of Finance. The organizers are promoting the lecture as the "alternative" Per Jacobson lecture.

Attachment

cc: The Deputy Managing Director
Mr. H. Simpson

5TH DUDLEY SEERS MEMORIAL LECTURE

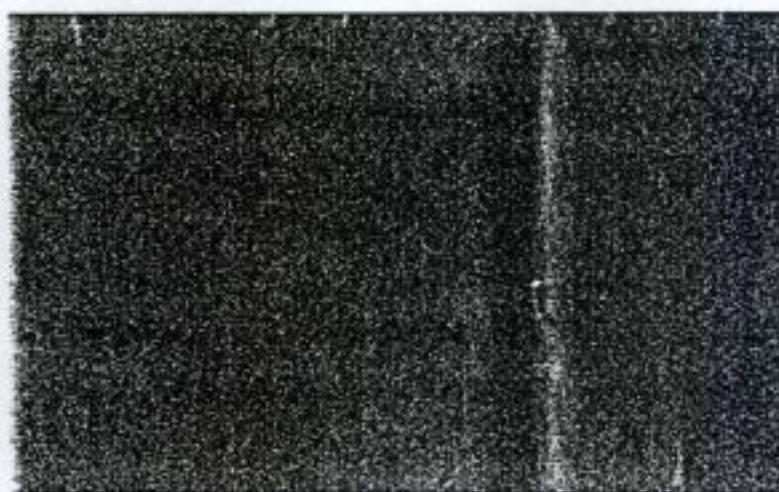
CONCILIATORY DEBT REDUCTION

WHY IT MUST COME & HOW IT COULD COME

to be
delivered by

MIKE FABER

Professorial Fellow • Institute of Development Studies • University of Sussex • England



Chairman
Prof Dr Manfred Nitsch
With discussants
Dr Angel Gurria
Chief Debt Negotiator
Government of Mexico
Dr Kwesi Botchway
Minister of Finance
Government of Ghana

THE FREE UNIVERSITY OF BERLIN
HENRY FORD BUILDING · GARYSTR 35
9.30 AM SUNDAY 25 SEPTEMBER 1988

on the occasion of The IMF and World Bank Annual Meetings

sponsored by The Berlin and United Kingdom Chapters • Society for International Development SID • Institute of Development Studies

Holl 10.2 - 37



INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

MANAGING DIRECTOR

CABLE ADDRESS
INTERFUND

September 22, 1988

MEMORANDUM

To: Mr. Whittome
Mr. Ouattara
Mr. Beza
Mr. Laske
Mr. Narvekar
Mr. Russo
Mr. Shaalan

From: Mr. Simpson *TS*

Subject: Bilateral Meetings with the Managing Director

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Attachments

cc: The Deputy Managing Director

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	Yugoslavia at Hotel Kempinski	Saturday, Sept. 24	10:00 p.m. —
	* Italy	Saturday, Sept. 24	5:30 p.m.
	Poland	Friday, Sept. 30	8:30 a.m.

* To be confirmed



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File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-09-20
TYPE	Letter
TO	Mrs. Lynette A. Girvan
FROM	R.S. Callis
SUBJECT/TITLE	1988 Fund/Bank Annual Meetings – Authorization to Charge Official Expenses
NO. OF PAGES	1
AUTHORITY	Board of Governors
LANGUAGE	English

Mr. Russo
INTERNATIONAL MONETARY FUND

September 19, 1988

TO : Heads of Area Departments,
ETR, EXR, FAD, LEG, RES, SEC, TRE.
FROM: Peter Hole *for*
RE: ANNUAL MEETING SPEECH

*cc: Paul
MG*

Attached is a draft of the speech which
the Managing Director wishes to review with you
this afternoon.

Attachment

After 2:00

- A bit long; do we promise too much (14)

- Growth felt too strong & link

- Refs to Germany?

- Too far in Art. IV

- Too short in conditions

pp. 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 20

- Self reflect with new money not very per-

DRAFT
PCH:am2
9/19/88

Opening Address by M. Camdessus,
Managing Director and Chairman of the Executive Board,
to the Forty-Third Annual Meeting of the Board of Governors
of the International Monetary Fund
Berlin (West), September 27, 1988

I would like to join previous speakers in greeting the delegates for the Forty-Third Annual Meetings here in Berlin. And I should like to express our warmest thanks to the authorities of this city for their extraordinary welcome.

What European city could be more appropriate for our work? Here, we are led to reflect on the very origins of the Bretton Woods institutions, institutions created by men whose countries had paid the price of protectionism, of unilateralism, of those every-nation-for-itself policies which led to a war whose wounds are still open in the heart of this city. In bringing home to us the message of our founders, Berlin invites us to turn our attention to the future so that we, like them, may act wisely and boldly as we prepare to enter the final decade of the century.

Let us accept this invitation. Instead of confining our attention to the year now reaching its end and the period immediately ahead, let us try today to broaden our view to cover the next several years. Shortly, you will be called upon to reach decisions on the scope and modalities of an increase in Fund quotas. These decisions, like many others, must look to the needs of the future. This morning, therefore,

I should like to review with you the problems we shall have to confront and the ambitions we should set in the period ahead.

First, though, let us look briefly to the lessons of the past. The 1970s and 1980s were a difficult period for the world economy: profound changes and great volatility in the exchange system, sharp ^{movements} increases in commodity prices, the deepest recession of the postwar period, the debt crisis and the interruption of the development process in a large number of developing countries, large financial imbalances in industrial countries, mounting protectionist pressures

These were hard experiences, but good teachers. They taught us many lessons. I would particularly emphasize the following:

First, global interdependence makes it essential to seek cooperative and coordinated solutions to the problems we face.

Second, financial stability is the ally--not the enemy--of growth. Attempts to force the pace of expansion through excessive deficits, excessive monetary growth, or excessive foreign borrowing, simply mortgage growth.

Third, we have for too long neglected the functioning of markets at the microeconomic level. Sensible structural policies are a sine qua non for soundly-based growth and high employment.

Fourth, to adapt Walter Bagehot's famous aphorism, international money will not manage itself. We must give attention to the evolution of the international monetary system.

Fifth, the debt crisis is as much about ^{efficiency and} growth as it is about debt. There can be no solution to the debt situation without a renewal of growth. ^{and efficient resource use.}

Five lessons. And I believe that ^{they contain} ~~there are also~~ five objectives--
five areas of ambition--that we should set ourselves as we now look
ahead.

Our first must be to sustain and strengthen growth in the
industrial countries.

The health of the world economy depends fundamentally on sustaining
economic expansion in the industrial countries that account for such a
large share of world output and trade. The present upswing in these
countries is now nearly six years old, the longest of the postwar
period. Nevertheless, while expansion has been continuous, it has been
accompanied by the emergence of payments imbalances on a scale not seen
in modern times. It has been lackluster in many countries. And it has
not succeeded in bringing down high rates of unemployment here in
Europe. This situation poses two challenges:

- How to extend the current expansion, and escape from the old
boom-and-bust cycle?

- How to restore ^{to} ~~the earlier~~ dynamism of those industrial economies
where growth and job creation have lagged?

I believe we can make growth in the industrial countries both
stronger and more durable. To do this, we need good policies--policies
that have a clear medium-term focus and that are implemented with
commitment and consistency. The key elements, to my mind, are three:
monetary stability, fiscal restraint, and structural reform.

Reference
to Gove
my line?

The need for monetary stability is a lesson that was painfully driven home in the 1970s. In that period, monetary laxity allowed inflation to ratchet upwards to ever higher levels. The distortions that were created ultimately lowered both investment and growth. Moreover, the costs of eliminating entrenched inflation far exceeded any transient gains during the period when inflation was accelerating. This experience has produced a broad consensus among us: the prime responsibility of monetary policy must be to preserve the degree of price stability so painfully restored in the 1980s.

*Germany
prime
example*

Similarly with budgetary policy, we know better now that the activist use of fiscal instruments to stimulate economic activity can be self-defeating. The expansion of government spending and deficits pushes up real interest rates, crowds out productive investment, and stifles entrepreneurial sector initiative. As public debt mounts, it creates damaging uncertainties in financial markets. Prudent budgetary policies, on the other hand, can help release real and financial resources for more productive use elsewhere and can facilitate tax reforms.

*excessive
taxation?*

But stable monetary and fiscal policies provide no more than a sound and supportive environment for growth. Whether growth is strong or weak depends on the saving, investment, and resource allocation decisions of society. This means that markets must function efficiently. And the fact is that over the years, the industrial economies--just like the developing countries--have accumulated a complex array of rigidities and impediments to efficiency. That is why

structural policies can no longer be regarded as being on the periphery of economic policy. They must be ^{set at} center stage. Not, I hasten to add, as a substitute for the necessary adjustment of macro policies, but to complement them and make them more effective.

A start has been made in identifying and addressing structural problems. But much more remains to be done. And this matters for the Fund. Structural policies have important international spillover effects; in an increasingly integrated world economy, distortions in one country influence resource allocation in the others.

This said, if the industrial economies are to be kept on the right medium-term track, there are two potential trends that deserve attention. One is familiar, namely, the persistence of large payments imbalances among the major industrial countries. The other is more recent, namely, the emergence of signs that inflation may be picking up.

The recent reductions in the current account imbalances of the three largest countries are encouraging. They stand behind the sounder conditions in exchange markets of the past year or so. But we should not allow ourselves to be lulled into a sense of false security. The payments imbalances that we would presently foresee in the medium term are of such a size as to remain a source of concern. Dealing with them will require a continuation of the cooperative approach that the major countries have been pursuing over the last three years and a reinforcement of policies under that approach. I want to underline here that firm action to strengthen the U.S. fiscal position still has a central role to play. A strong budgetary position in the United States

would help make exchange markets more resilient in the face of unexpected developments; and it would lower real interest rates, with beneficial effects for indebted countries. Surplus countries, on the other hand, need to ensure that the recent strengthening in the pace of their domestic demand growth is maintained. All must work together to ~~see~~ ^{keep} that the momentum of external adjustment ~~is maintained~~. This involves an appropriate combination of mutually consistent macroeconomic and structural policy, implemented in the framework of a stable pattern of exchange rates.

Concerning inflation, the central requirement is to ~~avoid the~~ ^{avoid setting} ~~return of~~ ^{an} inflationary psychology. Once inflationary expectations become embedded, it is too late. It is then costly and time-consuming to eradicate them. There are on the horizon a few scattered warning signals. Capacity utilization rates have been rising in most industrial countries; labor market conditions are tightening in some countries; non-oil commodity prices are well above last year's levels. Even if developments in national monetary aggregates are not always easy to interpret, ~~at a minimum~~ ^{to} they ~~also~~ suggest the need for special vigilance in the period ahead. A revival of inflation fears would be in no one's interest.

I believe that central banks have acted wisely in showing their determination to do whatever is necessary to keep at bay the forces of inflation. But let us be careful not to repeat ~~the~~ ^a mistake we have committed before: that is, leaving it to monetary policy alone to carry the burden of controlling inflation. It is too much to ask monetary

instruments to counter the inflationary effects of budgetary disorders. Action must be taken at the source to curb unsustainably large fiscal deficits.

Our second objective, as I see it, should be to facilitate freer international trade. On this I can be brief.

The persistence and intensification of trade restrictions in recent years, particularly in the industrial countries, is a major blemish on the international system. We all know that this is rooted in national policy deficiencies, that is, structural rigidities and macroeconomic imbalances. We all know that protectionism is ~~not~~ costly and ultimately self-defeating ~~response~~. And we all know ^{also} that the liberalization of trade policies and the removal of protective subsidies--particularly in the agricultural sector--would improve the efficiency of resource allocation, help maximize welfare in all countries, and facilitate the adjustment efforts of heavily indebted countries.

Recognition of these realities is reflected in the broad scope of multilateral trade negotiations under the Uruguay Round. The Punta del Este Declaration points the way forward. And the strengthened outlook for world trade in the immediate future provides a golden opportunity to turn words into action. Let us seize this opportunity, swiftly and boldly.

Third, we need to strengthen the international monetary system.

A little noticed milestone in 1988 was the tenth anniversary of the ratification of the Second Amendment to the Fund's Articles. That amendment, though, contains unfinished business, which we would do well to address in the coming years. The unfinished business is Article IV. Article IV asks the Fund to adopt "specific principles" to guide members' exchange rate policies. The principles that have been adopted, however, have lacked specificity, and have not succeeded in giving much practical guidance.

too far

A decade and a half after the beginning of generalized floating, the contours of new international monetary arrangements are now beginning to emerge. The new arrangements are based on intensified policy coordination. They reflect ^{only} ~~a~~ ^{an awareness} recognition that excessive exchange rate volatility imposes significant costs, but that it is neither feasible--nor desirable--to move back to a system of fixed exchange rates.

How can one characterize the new arrangements? They involve a mixture of substantive and procedural elements. Substantively, there is a general recognition that the major countries have a collective responsibility to achieve a low and stable rate of inflation--to be a "club" of low inflation. Similarly, it is recognized that fiscal and structural policies should be framed to help support international adjustment and reasonable stability in foreign exchange markets. Lastly, the major countries have agreed to use intervention, where necessary, to ^{counter} avoid disturbances in exchange markets.

These substantive elements of emerging monetary arrangements are

supported by technical and procedural elements. One of the most important has been the gradual refinement of economic indicators. Indicators are not a magic formula. But they help define the scope of policy coordination discussions, as well as make them more systematic and concrete. They also provide a standard by which to set objectives and to monitor progress toward such objectives.

Coordination has made considerable strides; but we still need to *push* *ask how* *to strengthen* *existing mechanisms* *on a variety of fronts* *can be strengthened*. How can medium-term goals be better translated into short-term policy requirements? How can the interests and the views of smaller countries be properly taken into account in policy coordination by the major industrial countries and in the evolution of the international system? What obligations should smaller countries be expected to shoulder? What is the role of the SDR? More generally, how can we best evaluate the many proposals for systemic reform and determine the best possible *route* *anchor* for systemic stability?

These are not issues that need to be, or can be, resolved overnight. Nevertheless, they need to be borne in mind as we continue the task of adapting international monetary arrangements to the needs of the 1990s. The Fund, which--according to its Article--was specifically created to provide "the" machinery for consultation and collaboration on international monetary problems, has *a responsibility* *to help its membership* focus more sharply on these questions. Accordingly, I am delighted to inform you that the Executive Board recently decided to give high priority in the coming period to its work on the international monetary system. This

work will proceed jointly with ongoing work aimed at strengthening cooperation among the major industrial countries.

* * * * *

Sustainable growth in the industrial world, freer trade, a more stable exchange system. With these we would have a favorable environment in which to pursue our fourth ambition: to have developing countries, and especially heavily indebted countries, grow at a more satisfactory pace and grow out of their debt difficulties.

Debt and growth. These two subjects ~~are very closely linked~~ *are very closely linked*. ~~simply cannot be separated.~~ *need to include*
Efficient solutions
~~There can be no solution to the debt problem without a restoration of~~ *Too strong*
growth. And for indebted countries, durable growth cannot be restored

unless their debt is dealt with. This challenge continues to require a tremendous effort from each of us. No one of us can say that the problem is over, or that it no longer concerns him. No one of us!

A clear distinction needs to be made, of course, between those developing countries that have faced serious debt difficulties over the past few years and those that have avoided such difficulties. The latter group has had a broadly satisfactory experience. Their growth in the 1980s has averaged about 6 percent; investment has stayed high, and access to credit markets has remained open. They continue of course to face many difficult challenges, and they deserve the full solidarity of the rest of the world as well as the active support of our institutions. But a striking contrast exists between their situation and that of debt problem countries. In the latter, growth has been low, investment has been depressed, and spontaneous lending has all but dried up.

The problem faced by countries with debt difficulties ^{is} does not reside merely in ^a their balance of payments. ^{and} For the most part these countries have achieved substantial improvements in their trade balances, often despite adverse movements in their terms of trade. The problem is that the progress achieved has not been sufficient to support an adequate level of output or export growth, or to create adequate employment opportunities for their growing populations. Too often it has been at the cost of a sharp drop in imports and domestic investment.

This has created two vicious circles.

Low investment, particularly when combined with low-quality ^{projects} investment, leads to low growth. Low growth makes it harder for governments to implement policies that generate ^{and retain domestic} savings ~~and that stop those savings from going abroad~~. So investment remains low, exports weak, and policy implementation is unsatisfactory. The social and political consequences of this are all too obvious. Corrective action becomes more and more difficult, and eventually political stability can be threatened.

In parallel, a second vicious circle develops in the financial field. With dubious growth prospects and hesitation ^{at} ~~in the~~ implementation of agreed economic policies, the ability and readiness to add debt on debt vanishes. Arrears appear; the reluctance to lend intensifies; delays in assembling financing packages lengthen; the adjustment ^{policies} ~~program~~ comes under sharper ^{criticism} ~~scrutiny~~ domestically, and its implementation stops--all of which retards growth further.

The two circles, moreover, intersect, leading frequently to an impasse. This impasse has to be broken and opportunities recreated to allow these countries to grow out of their debt, *and resolve their debt problems. How?*

To begin with, two requirements are inescapable. The first is the indebted countries themselves must tackle their problems with the own utmost resolve and steadiness. This is an absolute prerequisite if they want to come to grips with realities and achieve lasting growth. In saying that, I do not underestimate the courage required. But the principal elements of a successful policy approach aimed at restoring sustainable growth are clear to us all. First, it is crucial to re-establish financial stability through disciplined monetary and fiscal policies. Second, more resources for development must be mobilized domestically, through fiscal restraint and appropriate interest rate policies. Third, a structure of incentives must be created that helps countries to exploit their comparative advantage. This means an exchange rate that leads to a growing involvement in world trade, a domestic price structure that does not distort resource allocation, and the rolling back of administrative and other restrictions. Fourth, all steps must be taken to dismantle barriers to foreign direct and portfolio investment.

The second basic requirement is that the world financial community take all necessary steps--as soon as possible--to reverse the present flow of resources from developing to developed countries. The present trend may be understandable, but it is not acceptable. Theory and common sense both suggests that capital should go where the higher

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Needs is not the concept

investment needs are and, with them, the true opportunities for profit. At the present time, we are not seeing this, and it is our common task to restore the conditions for a return to a normal pattern of financial flows. This is not only sound economic logic. It is also the most elementary way of supporting the efforts of countries striving to adjust.

Now, there are some indebted countries that claim to be waiting for the moment when external support is effectively in place before moving decisively to adjust. Let me say to them that they risk ^{losing} ~~achieving~~ *and finitely* ~~neither~~ the financing, ~~nor~~ the economic progress. They risk seeing the situation continue to deteriorate, making still more difficult the problems which will have to be addressed one day or another. This miscalculation is at the root of many of the most difficult problems facing us today.

This being said, let us also recognize that these two requirements are interdependent. Improved policies will be hard to sustain without outside financial support and without a satisfactory global environment. Conversely, financial support will hardly be forthcoming--and indeed cannot be justified, except for humanitarian purposes--unless the right policies are being followed by the borrowing country.

In examining how we can help to improve this process of adjustment-
(developments in)
-cum-financing, we need to distinguish between low-income and middle-income indebted countries. For low-income countries, during the past two years we have seen very positive developments. First of all, progress has been made by official creditors in offering stronger

financial support to countries embarking on policy reforms. In particular, the initiative launched at the ^{June} Toronto summit has the potential to ease significantly the debt-service burdens of the poorest countries, and a number of individual official creditors have already implemented far-reaching debt relief measures. All of this goes in the right direction. But these initiatives will be for nought unless they provide truly additional assistance. And the fact is that for many countries debt relief is not enough. Grants and highly concessional loans in support of policy reform are also needed. And official creditors must increase their bilateral development assistance for well-conceived investment programs that genuinely raise the future growth potential of the recipient countries.

The World Bank, through its special assistance program, has also taken important initiatives in favor of low-income countries, particularly in Sub-Saharan Africa. We in the Fund have established the Enhanced Structural Adjustment Facility. I reported to you last year on this initiative and asked for your support. Today, I am happy to be able to say that the Facility is in place; that two programs have already been approved; and that two more are currently before the Executive Board.

You may ask, what ^{are} [concretely do we expect] ESAF programs ^{intended} to achieve? What will be different at the end of three years for countries implementing those programs? Quite a lot. For the first four cases that I have mentioned, let me tell you what the programs portend. Positive per capita economic growth ^{is expected to} ~~will have been~~ restored and

Will this come to harvest us

maintained--something we have not seen in sub-Saharan Africa for almost two decades; the rate of inflation--which over the same two decades averaged more than 20 percent--^{should be} ~~will have been~~ reduced to, or kept substantially below, 10 percent; a sustainable external position will have been restored; arrears will have been settled; exchange reserves will have been considerably strengthened; the ratio of domestic savings or of investment to GDP--often both--will have increased markedly; and fiscal balance will have been restored, or the fiscal position improved substantially.

This is not to say that these countries will no longer remain very vulnerable. They will. Moreover, their growth rates, though improved, will not yet have reached the levels that we would like to see. But the basis for growth will have been strengthened.

In the light of these possibilities, my gratitude to those who have contributed to this initiative is immense. And I am hopeful that those countries that have felt unable to contribute to date, or have not been able to contribute to their full possibilities, will urgently reconsider their position. For although we have already achieved what in the banking community would be termed a critical mass, more is needed. We will not publish the list of contributors today, because we prefer to wait for the moment--which I hope will come in the very near future--when this list will include all potential contributors. All those who have already contributed--some of them exceptionally generously--will forgive me if I make special mention of the contribution of several developing countries; evidence, indeed, that the spirit of solidarity does not recognize conventional boundaries.

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While the task of providing support for the efforts of low-income countries rests primarily with official creditors, private creditors also have a role to play and should stand ready to contribute to the reduction of debt in those countries. The reduction of Bolivia's commercial debt at the beginning of this year was a type of initiative that we could usefully do with more of.

Let me now turn to the middle-income indebted countries. I recognize that in the case of these countries we face growing doubts and impatience about the effectiveness of our strategy. We know, of course, that it will take more time than expected. But let me say this: the strategy has worked; it is still working in spite of debtor and creditor fatigue; and it remains valid for the future provided that it retains its basic characteristics, in particular

- its capability of adapting to changing circumstances; and
- the continued full participation of all--debtor and creditor governments, commercial banks, and international financial institutions.

It is my belief that without departing from the case-by-case market-based approach we have been following to date, we can make a profound difference over the next five years in the growth of the indebted countries and in the restoration of their external creditworthiness. And that we can start making this difference now.

How? First, by recognizing fully the role that debt reduction operations can play within the menu approach. Second, by strengthening

the overall medium-term framework for dealing with adjustment, growth and debt. And third, by making such moderate adjustments as may be needed in the contributions of all parties to the strategy.

The position of the Fund's Executive Board, when late last month it again reviewed the debt strategy, was clear. The provision of new money by the banking community is still essential. At the same time, though, it has become increasingly relevant for financing packages to include operations designed to reduce the existing stock of debt. This has general validity, applying even in the case of countries that are not far away from recovering access to the market. The Executive Directors also considered that in certain cases, when the level of indebtedness remains an insurmountable obstacle to returning to conventional financing--even within a medium-term perspective--a gradual and more fundamental reorganization of the indebted country's external liabilities should be considered.

The importance accorded by the Board to market-based debt reduction should come as no surprise. If--without seeking to force the hand of the market, and with intelligent cooperation from the banks--we could enable the heavily indebted countries gradually to repurchase their existing debt at a market-based price, there would be benefits all around:

- the medium-term growth outlook of these countries would improve as the share of the national product and of external resources allocated to debt repayments would gradually revert to more tolerable levels;

- public opinion in these countries would witness not only the

restoration of durable growth through the pursuit of properly-designed growth-oriented adjustment, but also a reduction in the stock of debt through market operations--with the two together both working powerfully to reduce the ratio of debt to GNP;

-- finally, many banks would be able, through such operations, to restructure their portfolios.

In short, debt reduction operations have to form a significant part in financing packages. And we in the Fund, in adapting our instruments, have sought to see how we could provide an improved medium-term framework for growth-oriented adjustment. As I see it, our task in the future will continue to be, first and foremost, to offer our traditional policy. Our Executive Board has also taken the position that, if requested, the Fund might assist members in devising financing scenarios on which debt management policy and negotiations with creditors could be based. Our financial support, meanwhile, should be made available in such a way as to provide a credible framework in which new money and debt reduction operations could properly develop. For that, the need is for instruments adapted to situations in which adjustment will be a drawn-out process and involve far-reaching structural reforms; instruments that make sufficient allowance for time; instruments that help the borrowing member to develop a medium-term strategy for dealing with its deeply-rooted financial and structural problems. This was precisely the rationale for the revitalization of the Extended Fund Facility. But if programs are to offer a reliable medium-term framework, policies have to be protected against unforeseen external

shocks. This is why we have also put in place a new Compensatory and Contingency Financing Facility. This builds on our existing facility to provide compensation for export shortfalls. It will protect economic programs against external developments that might have interrupted their implementation--developments such as a rise in interest rates, or a surge in import prices, or a fall in export earnings due to the evolution of prices or the movement of workers remittances. But, of course, the Fund cannot handle these difficulties alone. The country itself will have to play its part by adapting its program. And we expect other creditors to contribute to the additional financing that will need to be provided.

This is the renewed financial framework we can offer to help these countries to grow out of their debt. We have not created a debt facility as some have suggested we should. Views on the desirability of such an approach are, to say the least, quite divided. But I think we have established a framework that allows all parties to go a long way toward meeting our common objective: to help countries to grow out of their debt. But this can work only if all of us continue to accept the principle of shared responsibility. This means that we all continue to strive to do more and better.

In April, the Interim Committee reaffirmed the readiness of the Fund to contribute to strong adjustment programs with more financing by increasing the access to Fund credit within current limits, where appropriate, and going beyond those limits in exceptional circumstances. A role of paramount importance is also already being

played by the World Bank, whose sectoral and structural adjustment loans are now key elements in the overall financing of middle-income countries. But the need for a better level of financial support for well conceived policies has to be faced by all. I therefore encourage official creditors to continue to also do more.

Allow me, in this context, to pay tribute to the flexibility shown by the Paris Club, working in close cooperation to the increasingly complex problems of the indebted middle-income countries. Allow me also to express my deep appreciation for the announcement by the Government of Japan ...[to be drafted].

I hope that in the near future the initiative of Japan will be followed by many others, in particular from surplus countries. Such countries have a responsibility here from which they cannot shy away. They can contribute in various ways, and they can do so through agencies other than those responsible for credit insurance. But they have to do more. And we stand ready to facilitate the appropriate bilateral operations.

The response of official creditors should also serve as a spur to the banking community--which has strengthened its financial position in recent years--to do more. Since 1985, public institutions have doubled their share of the overall financing provided to the largely heavily indebted middle-income countries. Such an effort can only be justified before public opinion--and thereby sustained--if banks make a corresponding effort to provide new money, more attractive terms, and a reduction in the burden of debt. This reduction could when it is

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appropriate
incorporate forgiveness of interest or principal payments, or long-term capitalization of interest at below-market rates. This could substantially strengthen the medium-term outlook of indebted countries and hasten the restoration of their access to normal financing. I encourage banks to consider such moves. And I ~~am~~ ^{highly} sure that the regulatory authorities will facilitate their efforts.

Let us persevere along these lines. If we do, I firmly believe that five years hence the general picture will be fundamentally different: countries will have grown and debt will have been reduced to sustainable levels.

* * * * *

I come, finally, to our fifth objective: And that is to strengthen the Fund to enable it to discharge its responsibilities.

Underscore
It is our responsibility--~~of~~ all of us gathered here--to see that the Fund is adequately equipped with the resources it needs to play its role in dealing with the variety of issues that will face the world economy in the years ahead. It must have intellectual resources--that goes without saying. It must also have the moral resources that come from the unified backing and support of you, its Governors. Lastly, it must have the financial resources to make a major contribution to the financial problems with which it has to deal. ✓

The Fund is a cooperative institution-- the common instrument of all its members, united by the pledge to make it strong and responsive. But there are dangers facing it, with the gravest potential threats coming from its very own members. A country going willingly

into arrears takes itself out of the mainstream of international financial cooperation, but it also deprives the institution of the necessary means to effectively assist poorer countries on the best possible terms. So I warmly welcome the endorsement by the Interim Committee of the report of the Executive Board on my proposal for a strategy of intensified collaboration to tackle the problem of overdue obligations--a collaborative strategy that pays due regard to the exceptional plight of some of these countries.

A second major concern is that the membership not misjudge the real magnitude of our financial need for the beginning of the 1990s. Early next year, you will be called upon to decide on a quota increase. The Fund needs a substantial increase both to buttress its lending capacity, and to demonstrate the commitment of its membership to its continuing mission. The aide mémoire that I have circulated sets out matters in telling detail. The essential fact is that a financially strong Fund is in the interests of all Fund members. You, our Governors, are the ones best placed to explain that fundamental truth to your colleagues in government and to your electorates at large. I confidently look for your support, which is so essential.

* * * * *

Mr. Chairman, I have set forth five objectives for the international community--objectives which stem from certain basic imperatives. We must resolve to see that the 1990s produce a more stable world economic environment, in which the elusive goal of sustained noninflationary growth becomes a reality. We must resolve to

see that the fruits of economic progress are shared more evenly both among countries and between segments of society. We must resolve that the spirit of cooperation that unites us in the Bretton Woods institutions ~~is allowed~~ to flourish. These are high ambitions. But they are attainable, and we must constantly keep in mind the tremendous costs we incur if we do not ~~strive to~~ achieve them. Let us therefore join forces. Let us reject unilateralism. Let us demonstrate the unwavering cooperation that can bring about peaceful prosperity and truly global economic development and wellbeing.

Mr. Russo
INTERNATIONAL MONETARY FUND

September 19, 1988

TO : Heads of Area Departments,
ETR, EXR, FAD, LEG, RES, SEC, TRE.
FROM: Peter Hole *for*

*cc: Rolf
MG*

RE: ANNUAL MEETING SPEECH

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its*

Attached is a draft of the speech which
the Managing Director wishes to review with you
this afternoon.

M

Attachment

Opening Address by M. Camdessus,
Managing Director and Chairman of the Executive Board,
to the Forty-Third Annual Meeting of the Board of Governors
of the International Monetary Fund
Berlin (West), September 27, 1988

I would like to join previous speakers in greeting the delegates for the Forty-Third Annual Meetings here in Berlin. And I should like to express our warmest thanks to the authorities of this city for their extraordinary welcome.

What European city could be more appropriate for our work? Here, we are led to reflect on the very origins of the Bretton Woods institutions, institutions created by men whose countries had paid the price of protectionism, of unilateralism, of those every-nation-for-itself policies which led to a war whose wounds are still open in the heart of this city. In bringing home to us the message of our founders, Berlin invites us to turn our attention to the future so that we, like them, may act wisely and boldly as we prepare to enter the final decade of the century.

Let us accept this invitation. Instead of confining our attention to the year now reaching its end and the period immediately ahead, let us try today to broaden our view to cover the next several years. Shortly, you will be called upon to reach decisions on the scope and modalities of an increase in Fund quotas. These decisions, like many others, must look to the needs of the future. This morning, therefore,

I should like to review with you the problems we shall have to confront and the ambitions we should set in the period ahead.

First, though, let us look briefly to the lessons of the past. The 1970s and 1980s were a difficult period for the world economy: profound changes and great volatility in the exchange system, sharp increases in commodity prices, the deepest recession of the postwar period, the debt crisis and the interruption of the development process in a large number of developing countries, large financial imbalances in industrial countries, mounting protectionist pressures

These were hard experiences, but good teachers. They taught us many lessons. I would particularly emphasize the following:

First, global interdependence makes it essential to seek cooperative and coordinated solutions to the problems we face.

Second, financial stability is the ally--not the enemy--of growth. Attempts to force the pace of expansion through excessive deficits, excessive monetary growth, or excessive foreign borrowing, simply mortgage growth.

Third, we have for too long neglected the functioning of markets at the microeconomic level. Sensible structural policies are a sine qua non for soundly-based growth and high employment.

Fourth, to adapt Walter Bagehot's famous aphorism, international money will not manage itself. We must give attention to the evolution of the international monetary system.

Fifth, the debt crisis is as much about growth as it is about debt. There can be no solution to the debt situation without a renewal of growth.

Five lessons. And I believe that there are also five objectives-- five areas of ambition--that we should set ourselves as we now look ahead.

* * * * *

Our first must be to sustain and strengthen growth in the industrial countries.

The health of the world economy depends fundamentally on sustaining economic expansion in the industrial countries that account for such a large share of world output and trade. The present upswing in these countries is now nearly six years old, the longest of the postwar period. Nevertheless, while expansion has been continuous, it has been accompanied by the emergence of payments imbalances on a scale not seen in modern times. It has been lackluster in many countries. And it has not succeeded in bringing down high rates of unemployment here in Europe. This situation poses two challenges:

- How to extend the current expansion, and escape from the old boom-and-bust cycle?

- How to restore the earlier dynamism of those industrial economies where growth and job creation have lagged?

I believe we can make growth in the industrial countries both stronger and more durable. To do this, we need good policies--policies that have a clear medium-term focus and that are implemented with commitment and consistency. The key elements, to my mind, are three: monetary stability, fiscal restraint, and structural reform.

The need for monetary stability is a lesson that was painfully driven home in the 1970s. In that period, monetary laxity allowed inflation to ratchet upwards to ever higher levels. The distortions that were created ultimately lowered both investment and growth. Moreover, the costs of eliminating entrenched inflation far exceeded any transient gains during the period when inflation was accelerating. This experience has produced a broad consensus among us: the prime responsibility of monetary policy must be to preserve the degree of price stability so painfully restored in the 1980s.

Similarly with budgetary policy, we know better now that the activist use of fiscal instruments to stimulate economic activity can be self-defeating. The expansion of government spending and deficits pushes up real interest rates, crowds out productive investment, and stifles entrepreneurial sector initiative. As public debt mounts, it creates damaging uncertainties in financial markets. Prudent budgetary policies, on the other hand, can help release real and financial resources for more productive use elsewhere and can facilitate tax reforms.

But stable monetary and fiscal policies provide no more than a sound and supportive environment for growth. Whether growth is strong or weak depends on the saving, investment, and resource allocation decisions of society. This means that markets must function efficiently. And the fact is that over the years, the industrial economies--just like the developing countries--have accumulated a complex array of rigidities and impediments to efficiency. That is why

structural policies can no longer be regarded as being on the periphery of economic policy. They must be center stage. Not, I hasten to add, as a substitute for the necessary adjustment of macro policies, but to complement them and make them more effective.

A start has been made in identifying and addressing structural problems. But much more remains to be done. And this matters for the Fund. Structural policies have important international spillover effects; in an increasingly integrated world economy, distortions in one country influence resource allocation in the others.

This said, if the industrial economies are to be kept on the right medium-term track, there are two potential trends that deserve attention. One is familiar, namely, the persistence of large payments imbalances among the major industrial countries. The other is more recent, namely, the emergence of signs that inflation may be picking up.

The recent reductions in the current account imbalances of the three largest countries are encouraging. They stand behind the sounder conditions in exchange markets of the past year or so. But we should not allow ourselves to be lulled into a sense of false security. The payments imbalances that we would presently foresee in the medium term are of such a size as to remain a source of concern. Dealing with them will require a continuation of the cooperative approach that the major countries have been pursuing over the last three years and a reinforcement of policies under that approach. I want to underline here that firm action to strengthen the U.S. fiscal position still has a central role to play. A strong budgetary position in the United States

would help make exchange markets more resilient in the face of unexpected developments; and it would lower real interest rates, with beneficial effects for indebted countries. Surplus countries, on the other hand, need to ensure that the recent strengthening in the pace of their domestic demand growth is maintained. All must work together to see that the momentum of external adjustment is maintained. This involves an appropriate combination of mutually consistent macroeconomic and structural policy, implemented in the framework of a stable pattern of exchange rates.

Concerning inflation, the central requirement is to avoid the return of inflationary psychology. Once inflationary expectations become embedded, it is too late. It is then costly and time-consuming to eradicate them. There are on the horizon a few scattered warning signals. Capacity utilization rates have been rising in most industrial countries; labor market conditions are tightening in some countries; non-oil commodity prices are well above last year's levels. Even if developments in national monetary aggregates are not always easy to interpret, at a minimum they also suggest the need for special vigilance in the period ahead. A revival of inflation fears would be in no one's interest.

I believe that central banks have acted wisely in showing their determination to do whatever is necessary to keep at bay the forces of inflation. But let us be careful not to repeat the mistake we have committed before: that is, leaving it to monetary policy alone to carry the burden of controlling inflation. It is too much to ask monetary

instruments to counter the inflationary effects of budgetary disorders. Action must be taken at the source to curb unsustainably large fiscal deficits.

Our second objective, as I see it, should be to facilitate freer international trade. On this I can be brief.

The persistence and intensification of trade restrictions in recent years, particularly in the industrial countries, is a major blemish on the international system. We all know that this is rooted in national policy deficiencies, that is, structural rigidities and macroeconomic imbalances. We all know that protectionism is a costly and ultimately self-defeating response. And we all know that the liberalization of trade policies and the removal of protective subsidies--particularly in the agricultural sector--would improve the efficiency of resource allocation, help maximize welfare in all countries, and facilitate the adjustment efforts of heavily indebted countries.

Recognition of these realities is reflected in the broad scope of multilateral trade negotiations under the Uruguay Round. The Punta del Este Declaration points the way forward. And the strengthened outlook for world trade in the immediate future provides a golden opportunity to turn words into action. Let us seize this opportunity, swiftly and boldly.

Third, we need to strengthen the international monetary system.

A little noticed milestone in 1988 was the tenth anniversary of the ratification of the Second Amendment to the Fund's Articles. That amendment, though, contains unfinished business, which we would do well to address in the coming years. The unfinished business is Article IV. Article IV asks the Fund to adopt "specific principles" to guide members' exchange rate policies. The principles that have been adopted, however, have lacked specificity, and have not succeeded in giving much practical guidance.

A decade and a half after the beginning of generalized floating, the contours of new international monetary arrangements are now beginning to emerge. The new arrangements are based on intensified policy coordination. They reflect a recognition that excessive exchange rate volatility imposes significant costs, but that it is neither feasible--nor desirable--to move back to a system of fixed exchange rates.

How can one characterize the new arrangements? They involve a mixture of substantive and procedural elements. Substantively, there is a general recognition that the major countries have a collective responsibility to achieve a low and stable rate of inflation--to be a "club" of low inflation. Similarly, it is recognized that fiscal and structural policies should be framed to help support international adjustment and reasonable stability in foreign exchange markets. Lastly, the major countries have agreed to use intervention, where necessary, to avoid disturbances in exchange markets.

These substantive elements of emerging monetary arrangements are

supported by technical and procedural elements. One of the most important has been the gradual refinement of economic indicators. Indicators are not a magic formula. But they help define the scope of policy coordination discussions, as well as make them more systematic and concrete. They also provide a standard by which to set objectives and to monitor progress toward such objectives.

Coordination has made considerable strides; but we still need to ask how existing mechanisms can be strengthened. How can medium-term goals be better translated into short-term policy requirements? How can the interests and the views of smaller countries be properly taken into account in policy coordination by the major industrial countries and in the evolution of the international system? What obligations should smaller countries be expected to shoulder? What is the role of the SDR? More generally, how can we best evaluate the many proposals for systemic reform and determine the best possible anchor for systemic stability?

These are not issues that need to be, or can be, resolved overnight. Nevertheless, they need to be borne in mind as we continue the task of adapting international monetary arrangements to the needs of the 1990s. The Fund, which--according to its Article--was specifically created to provide "the" machinery for consultation and collaboration on international monetary problems, has to help its membership focus more sharply on these questions. Accordingly, I am delighted to inform you that the Executive Board recently decided to give high priority in the coming period to its work on the international monetary system. This

work will proceed jointly with ongoing work aimed at strengthening cooperation among the major industrial countries.

* * * * *

Sustainable growth in the industrial world, freer trade, a more stable exchange system. With these we would have a favorable environment in which to pursue our fourth ambition: to have developing countries, and especially heavily indebted countries, grow at a more satisfactory pace and grow out of their debt difficulties.

Debt and growth. These two subjects simply cannot be separated. There can be no solution to the debt problem without a restoration of growth. And for indebted countries, durable growth cannot be restored unless their debt is dealt with. This challenge continues to require a tremendous effort from each of us. No one of us can say that the problem is over, or that it no longer concerns him. No one of us!

A clear distinction needs to be made, of course, between those developing countries that have faced serious debt difficulties over the past few years and those that have avoided such difficulties. The latter group has had a broadly satisfactory experience. Their growth in the 1980s has averaged about 6 percent; investment has stayed high, and access to credit markets has remained open. They continue of course to face many difficult challenges, and they deserve the full solidarity of the rest of the world as well as the active support of our institutions. But a striking contrast exists between their situation and that of debt problem countries. In the latter, growth has been low, investment has been depressed, and spontaneous lending has all but dried up.

The problem faced by countries with debt difficulties does not reside merely in their balance of payments. For the most part these countries have achieved substantial improvements in their trade balances, often despite adverse movements in their terms of trade. The problem is that the progress achieved has not been sufficient to support an adequate level of output or export growth, or to create adequate employment opportunities for their growing populations. Too often it has been at the cost of a sharp drop in imports and domestic investment.

This has created two vicious circles.

Low investment, particularly when combined with low-quality investment, leads to low growth. Low growth makes it harder for governments to implement policies that generate savings and that stop those savings from going abroad. So investment remains low, exports weak, and policy implementation is unsatisfactory. The social and political consequences of this are all too obvious. Corrective action becomes more and more difficult, and eventually political stability can be threatened.

In parallel, a second vicious circle develops in the financial field. With dubious growth prospects and hesitation in the implementation of agreed economic policies, the ability and readiness to add debt on debt vanishes. Arrears appear; the reluctance to lend intensifies; delays in assembling financing packages lengthen; the adjustment program comes under sharper scrutiny domestically, and its implementation stops--all of which retards growth further.

The two circles, moreover, intersect, leading frequently to an impasse. This impasse has to be broken and opportunities recreated to allow these countries to grow out of their debt. How?

To begin with, two requirements are inescapable. The first is the indebted countries themselves must tackle their problems with the own utmost resolve and steadiness. This is an absolute prerequisite if they want to come to grips with realities and achieve lasting growth. In saying that, I do not underestimate the courage required. But the principal elements of a successful policy approach aimed at restoring sustainable growth are clear to us all. First, it is crucial to re-establish financial stability through disciplined monetary and fiscal policies. Second, more resources for development must be mobilized domestically, through fiscal restraint and appropriate interest rate policies. Third, a structure of incentives must be created that helps countries to exploit their comparative advantage. This means an exchange rate that leads to a growing involvement in world trade, a domestic price structure that does not distort resource allocation, and the rolling back of administrative and other restrictions. Fourth, all steps must be taken to dismantle barriers to foreign direct and portfolio investment.

The second basic requirement is that the world financial community take all necessary steps--as soon as possible--to reverse the present flow of resources from developing to developed countries. The present trend may be understandable, but it is not acceptable. Theory and common sense both suggests that capital should go where the higher

investment needs are and, with them, the true opportunities for profit. At the present time, we are not seeing this, and it is our common task to restore the conditions for a return to a normal pattern of financial flows. This is not only sound economic logic. It is also the most elementary way of supporting the efforts of countries striving to adjust.

Now, there are some indebted countries that claim to be waiting for the moment when external support is effectively in place before moving decisively to adjust. Let me say to them that they risk achieving neither the financing, nor the economic progress. They risk seeing the situation continue to deteriorate, making still more difficult the problems which will have to be addressed one day or another. This miscalculation is at the root of many of the most difficult problems facing us today.

This being said, let us also recognize that these two requirements are interdependent. Improved policies will be hard to sustain without outside financial support and without a satisfactory global environment. Conversely, financial support will hardly be forthcoming--and indeed cannot be justified, except for humanitarian purposes--unless the right policies are being followed by the borrowing country.

In examining how we can help to improve this process of adjustment-cum-financing, we need to distinguish between low-income and middle-income indebted countries. For low-income countries, during the past two years we have seen very positive developments. First of all, progress has been made by official creditors in offering stronger

financial support to countries embarking on policy reforms. In particular, the initiative launched at the Toronto summit has the potential to ease significantly the debt-service burdens of the poorest countries, and a number of individual official creditors have already implemented far-reaching debt relief measures. All of this goes in the right direction. But these initiatives will be for nought unless they provide truly additional assistance. And the fact is that for many countries debt relief is not enough. Grants and highly concessional loans in support of policy reform are also needed. And official creditors must increase their bilateral development assistance for well-conceived investment programs that genuinely raise the future growth potential of the recipient countries.

The World Bank, through its special assistance program, has also taken important initiatives in favor of low-income countries, particularly in Sub-Saharan Africa. We in the Fund have established the Enhanced Structural Adjustment Facility. I reported to you last year on this initiative and asked for your support. Today, I am happy to be able to say that the Facility is in place; that two programs have already been approved; and that two more are currently before the Executive Board.

You may ask, what concretely do we expect ESAF programs to achieve? What will be different at the end of three years for countries implementing those programs? Quite a lot. For the first four cases that I have mentioned, let me tell you what the programs portend. Positive per capita economic growth will have been restored and

maintained--something we have not seen in sub-Saharan Africa for almost two decades; the rate of inflation--which over the same two decades averaged more than 20 percent--will have been reduced to, or kept substantially below, 10 percent; a sustainable external position will have been restored; arrears will have been settled; exchange reserves will have been considerably strengthened; the ratio of domestic savings or of investment to GDP--often both--will have increased markedly; and fiscal balance will have been restored, or the fiscal position improved substantially.

This is not to say that these countries will no longer remain very vulnerable. They will. Moreover, their growth rates, though improved, will not yet have reached the levels that we would like to see. But the basis for growth will have been strengthened.

In the light of these possibilities, my gratitude to those who have contributed to this initiative is immense. And I am hopeful that those countries that have felt unable to contribute to date, or have not been able to contribute to their full possibilities, will urgently reconsider their position. For although we have already achieved what in the banking community would be termed a critical mass, more is needed. We will not publish the list of contributors today, because we prefer to wait for the moment--which I hope will come in the very near future--when this list will include all potential contributors. All those who have already contributed--some of them exceptionally generously--will forgive me if I make special mention of the contribution of several developing countries; evidence, indeed, that the spirit of solidarity does not recognize conventional boundaries.

While the task of providing support for the efforts of low-income countries rests primarily with official creditors, private creditors also have a role to play and should stand ready to contribute to the reduction of debt in those countries. The reduction of Bolivia's commercial debt at the beginning of this year was a type of initiative that we could usefully do with more of.

Let me now turn to the middle-income indebted countries. I recognize that in the case of these countries we face growing doubts and impatience about the effectiveness of our strategy. We know, of course, that it will take more time than expected. But let me say this: the strategy has worked; it is still working in spite of debtor and creditor fatigue; and it remains valid for the future provided that it retains its basic characteristics, in particular

- its capability of adapting to changing circumstances; and
- the continued full participation of all--debtor and creditor governments, commercial banks, and international financial institutions.

It is my belief that without departing from the case-by-case market-based approach we have been following to date, we can make a profound difference over the next five years in the growth of the indebted countries and in the restoration of their external creditworthiness. And that we can start making this difference now.

How? First, by recognizing fully the role that debt reduction operations can play within the menu approach. Second, by strengthening

the overall medium-term framework for dealing with adjustment, growth and debt. And third, by making such moderate adjustments as may be needed in the contributions of all parties to the strategy.

The position of the Fund's Executive Board, when late last month it again reviewed the debt strategy, was clear. The provision of new money by the banking community is still essential. At the same time, though, it has become increasingly relevant for financing packages to include operations designed to reduce the existing stock of debt. This has general validity, applying even in the case of countries that are not far away from recovering access to the market. The Executive Directors also considered that in certain cases, when the level of indebtedness remains an insurmountable obstacle to returning to conventional financing--even within a medium-term perspective--a gradual and more fundamental reorganization of the indebted country's external liabilities should be considered.

The importance accorded by the Board to market-based debt reduction should come as no surprise. If--without seeking to force the hand of the market, and with intelligent cooperation from the banks--we could enable the heavily indebted countries gradually to repurchase their existing debt at a market-based price, there would be benefits all around:

- the medium-term growth outlook of these countries would improve as the share of the national product and of external resources allocated to debt repayments would gradually revert to more tolerable levels;

- public opinion in these countries would witness not only the

restoration of durable growth through the pursuit of properly-designed growth-oriented adjustment, but also a reduction in the stock of debt through market operations--with the two together both working powerfully to reduce the ratio of debt to GNP;

-- finally, many banks would be able, through such operations, to restructure their portfolios.

In short, debt reduction operations have to form a significant part in financing packages. And we in the Fund, in adapting our instruments, have sought to see how we could provide an improved medium-term framework for growth-oriented adjustment. As I see it, our task in the future will continue to be, first and foremost, to offer our traditional policy. Our Executive Board has also taken the position that, if requested, the Fund might assist members in devising financing scenarios on which debt management policy and negotiations with creditors could be based. Our financial support, meanwhile, should be made available in such a way as to provide a credible framework in which new money and debt reduction operations could properly develop. For that, the need is for instruments adapted to situations in which adjustment will be a drawn-out process and involve far-reaching structural reforms; instruments that make sufficient allowance for time; instruments that help the borrowing member to develop a medium-term strategy for dealing with its deeply-rooted financial and structural problems. This was precisely the rationale for the revitalization of the Extended Fund Facility. But if programs are to offer a reliable medium-term framework, policies have to be protected against unforeseen external

shocks. This is why we have also put in place a new Compensatory and Contingency Financing Facility. This builds on our existing facility to provide compensation for export shortfalls. It will protect economic programs against external developments that might have interrupted their implementation--developments such as a rise in interest rates, or a surge in import prices, or a fall in export earnings due to the evolution of prices or the movement of workers remittances. But, of course, the Fund cannot handle these difficulties alone. The country itself will have to play its part by adapting its program. And we expect other creditors to contribute to the additional financing that will need to be provided.

This is the renewed financial framework we can offer to help these countries to grow out of their debt. We have not created a debt facility as some have suggested we should. Views on the desirability of such an approach are, to say the least, quite divided. But I think we have established a framework that allows all parties to go a long way toward meeting our common objective: to help countries to grow out of their debt. But this can work only if all of us continue to accept the principle of shared responsibility. This means that we all continue to strive to do more and better.

In April, the Interim Committee reaffirmed the readiness of the Fund to contribute to strong adjustment programs with more financing by increasing the access to Fund credit within current limits, where appropriate, and going beyond those limits in exceptional circumstances. A role of paramount importance is also already being

played by the World Bank, whose sectoral and structural adjustment loans are now key elements in the overall financing of middle-income countries. But the need for a better level of financial support for well conceived policies has to be faced by all. I therefore encourage official creditors to continue to also do more.

Allow me, in this context, to pay tribute to the flexibility shown by the Paris Club, working in close cooperation to the increasingly complex problems of the indebted middle-income countries. Allow me also to express my deep appreciation for the announcement by the Government of Japan ...[to be drafted].

I hope that in the near future the initiative of Japan will be followed by many others, in particular from surplus countries. Such countries have a responsibility here from which they cannot shy away. They can contribute in various ways, and they can do so through agencies other than those responsible for credit insurance. But they have to do more. And we stand ready to facilitate the appropriate bilateral operations.

The response of official creditors should also serve as a spur to the banking community--which has strengthened its financial position in recent years--to do more. Since 1985, public institutions have doubled their share of the overall financing provided to the largely heavily indebted middle-income countries. Such an effort can only be justified before public opinion--and thereby sustained--if banks make a corresponding effort to provide new money, more attractive terms, and a reduction in the burden of debt. This reduction could when it is

incorporate forgiveness of interest or principal payments, or long-term capitalization of interest at below-market rates. This could substantially strengthen the medium-term outlook of indebted countries and hasten the restoration of their access to normal financing. I encourage banks to consider such moves. And I am sure that the regulatory authorities will facilitate their efforts.

Let us persevere along these lines. If we do, I firmly believe that five years hence the general picture will be fundamentally different: countries will have grown and debt will have been reduced to sustainable levels.

* * * * *

I come, finally, to our fifth objective: And that is to strengthen the Fund to enable it to discharge its responsibilities.

It is our responsibility--all of us gathered here--to see that the Fund is adequately equipped with the resources it needs to play its role in dealing with the variety of issues that will face the world economy in the years ahead. It must have intellectual resources--that goes without saying. It must also have the moral resources that come from the unified backing and support of you, its Governors. Lastly, it must have the financial resources to make a major contribution to the financial problems with which it has to deal.

The Fund is a cooperative institution-- the common instrument of all its members, united by the pledge to make it strong and responsive. But there are dangers facing it, with the gravest potential threats coming from its very own members. A country going willingly

into arrears takes itself out of the mainstream of international financial cooperation, but it also deprives the institution of the necessary means to effectively assist poorer countries on the best possible terms. So I warmly welcome the endorsement by the Interim Committee of the report of the Executive Board on my proposal for a strategy of intensified collaboration to tackle the problem of overdue obligations--a collaborative strategy that pays due regard to the exceptional plight of some of these countries.

A second major concern is that the membership not misjudge the real magnitude of our financial need for the beginning of the 1990s. Early next year, you will be called upon to decide on a quota increase. The Fund needs a substantial increase both to buttress its lending capacity, and to demonstrate the commitment of its membership to its continuing mission. The aide mémoire that I have circulated sets out matters in telling detail. The essential fact is that a financially strong Fund is in the interests of all Fund members. You, our Governors, are the ones best placed to explain that fundamental truth to your colleagues in government and to your electorates at large. I confidently look for your support, which is so essential.

* * * * *

Mr. Chairman, I have set forth five objectives for the international community--objectives which stem from certain basic imperatives. We must resolve to see that the 1990s produce a more stable world economic environment, in which the elusive goal of sustained noninflationary growth becomes a reality. We must resolve to

see that the fruits of economic progress are shared more evenly both among countries and between segments of society. We must resolve that the spirit of cooperation that unites us in the Bretton Woods institutions is allowed to flourish. These are high ambitions. But they are attainable, and we must constantly keep in mind the tremendous costs we incur if we do not strive to achieve them. Let us therefore join forces. Let us reject unilateralism. Let us demonstrate the unwavering cooperation that can bring about peaceful prosperity and truly global economic development and wellbeing.

INTERNATIONAL MONETARY FUND

Copied
for Berlin 9/20

Lynne,

Conrad had gone
when I tried to con-
tact him.

Please call him
as soon as you arrive
and pass on the
attached message

MB

Manuel Guitián



Office Memorandum

cc HR
Pdef

mv

September 16, 1988

To: Mr. Guitian

From: E.A. Conrad

Subject: 1988 Annual Meetings--Country Meetings

We should like a representative from the Fiscal Affairs Department to participate in the country meetings as listed below:

Poland, Turkey, and Yugoslavia.

The purpose of the participation would be to take up technical assistance issues or to pursue our interest in ongoing program discussions.

We would like to arrange separate meetings to discuss technical assistance matters with representatives of the following countries:

Hungary
Portugal
South Africa

* We need to call Conrad in Berlin to tell him that we should be in Berlin before any separate meetings arrangements if time permitted to attend

9/19/88

Please note that the meeting will be held
sometime Monday afternoon. Additional sections
will be distributed Monday morning.

✓ EUR

cc: Peelf
MG

RECEIVED

1988 SEP 16 PM 5:21

EUROPEAN DEPARTMENT



Office Memorandum

TO: Heads of Area Departments,
ETR, EXR, FAD, LEG, RES, SEC, TRE

September 16, 1988

FROM: Peter Hole *PH*

SUBJECT: Managing Director's Annual Meeting Speech

The Managing Director plans to structure his Annual Meeting address as follows.

1. Introduction
2. Objectives for the Period Ahead
 - a. Sustained growth in the industrial world
 - b. Freer trade
 - c. Strengthened international monetary system
 - d. Debt and growth in the developing world
 - e. Strengthen the Fund
3. Conclusion

Attached are preliminary drafts, on which the Managing Director has worked, of sections 1, 2a, 2b, and 2c. As the Managing Director would like to meet some time this afternoon to discuss the substance of his address, I am circulating these sections as they now stand--little edited, and with work obviously to be done in piecing them together. The remaining sections will follow early this afternoon. As regards length, the Managing Director intends to abbreviate the text for delivery (30-35 minutes), while issuing a full text for the record.

Draft Statement by the Managing Director
Annual Meetings

Mr. Chairman:

I should like to join previous speakers in greeting the delegates assembled here in Berlin for the Forty-Third Annual Meetings. What European city could have been more appropriate for our work? Not only could we not have received a warmer welcome from its authorities. We also could not have been given a clearer reminder of the origins of the Bretton Woods institutions, institutions created by men whose countries had paid the heavy price of protectionism, of unilateralism, of those every-nation-for-itself policies which led to a war that still marks the center of to this very day. In bringing home to us the message of our founders, Berlin invites us to turn our attention to the future so that we, like them, may act wisely and boldly as we prepare to enter the final decade of the century.

Let us accept this invitation. Instead of confining our attention to the year now reaching its end and to our proposals for the year ahead, let us try today to broaden our view to cover the next five to seven years. Shortly, you will be called upon to reach decisions on the scope and modalities of the next quota increase. These decisions must look to the period ahead. It is thus my responsibility to set out fully for you our expectations about developments during the period, the

problems we shall have to confront, and the ambitions we must set for common action.

But first let us look briefly to the lessons of the past. The 1970s and 1980s were a difficult period for the world economy. They began with profound changes in the international monetary system and sharp increases in commodity prices. They witnessed the deepest recession of the postwar period. They saw the onset of the debt crisis, and the interruption of the development process in a large number of developing countries. Large financial imbalances emerged in industrial countries, giving rise to unsustainable payments positions and wide swings in exchange rates. Protectionist pressures mounted, and bilateralism gained ground.

We have begun to deal with these problems. But, to be honest, we have only begun. The challenge we face as we look ahead is to build on this beginning, to heed the lessons of the past, and to lay the basis for solid economic progress in the 1990s.

Hard experience is a good teacher. But what are the major lessons from the turbulent experience of the past ten years. I would emphasize five of them.

A first lesson is that financial stability is the ally--not the enemy--of growth. Attempts to force the pace of expansion through excessive deficits, excessive monetary growth, or excessive foreign borrowing, simply mortgage growth over the medium to longer run.

A second lesson is that the functioning of markets at the microeconomic level has been too long neglected by policymakers.

Sensible structural policies are a sine qua non for soundly-based growth and high employment.

A third lesson is that the debt crisis is as much about growth as it is about debt. There can be no solution to the debt situation without a renewal of growth.

A fourth lesson is that global interdependence makes it essential to seek cooperative and coordinated solutions to the problems we face.

A fifth lesson--to adapt Walter Bagehot's famous aphorism--is that international money will not manage itself. We must give attention to the evolution of the international monetary system.

So for the next five years, let us explore five objectives, five areas of ambition. While time allows me to touch only briefly on each in my remarks this morning, you will find a fuller presentation in the written version of my address. Also, while I shall speak at less length on some points than on others, please do not infer that I devote any less importance to them. I do not.

As I see it, our first essential objective for the next five years must be to help sustain and strengthen growth in industrial the countries

The health of the world economy depends fundamentally on sustaining economic expansion in the industrial countries that account for such a large share of world output and trade. The present upswing in these countries is now nearly six years old, the longest of the postwar period. Nevertheless, while expansion has been continuous, it has been accompanied by the emergence of payments imbalances on a scale not seen in modern times. It has been lackluster in many countries. And it has not succeeded in bringing down disturbingly high rates of unemployment, here in Europe. This situation poses two challenges to policymakers:

- How to extend the current expansion, and escape from the old boom-and-bust cycle.
- How to restore the earlier dynamism of those industrial economies where growth and job creation have lagged.

I believe we can make growth in the industrial countries both stronger and more durable. To do this, we need good policies--policies that have a clear medium-term focus and that are implemented with commitment and consistency. The key elements, to my mind, are three: monetary stability, fiscal restraint, and structural reform. The need for monetary stability is a lesson that was painfully driven home in the 1970s. In that period, monetary laxity allowed inflation to ratchet upwards to ever higher levels. The distortions that were created ultimately lowered both investment and growth. Moreover, the costs of

eliminating entrenched inflation far exceeded any transient gains during the period when inflation was accelerating. This experience has produced a broad consensus among policymakers: the prime responsibility of monetary policy must be to preserve the degree of price stability that has been so painfully restored in the 1980s.

Similarly with budgetary policy, we know better now that the activist use of fiscal instruments to stimulate economic activity can be self-defeating. The expansion of government spending and deficits pushes up real interest rates, crowds out productive investment, and stifles private sector initiative. As public debt mounts, it creates damaging uncertainties in financial markets. Prudent budgetary policies, on the other hand, can help release real and financial resources for more productive use elsewhere. They can facilitate tax reforms designed to strengthen incentives.

But, as I said earlier, stable monetary and fiscal policies provide more than a sound and supportive environment for growth. Whether growth is strong or weak depends on the saving, investment, and resource allocation decisions of entrepreneurs. This means that markets must function efficiently. And the fact is that over the years, the industrial economies--just like the developing countries--have accumulated a complex array of rigidities and impediments to efficient resource use that have come to constitute a major hindrance to stronger economies performance. That is why structural policies can no longer be regarded as on the periphery of economic policy. They must be center stage. Not, I hasten to add, as a substitute for the necessary macro-

policies adjustment, but to complement them and make them more effective.

A start has been in identifying and addressing structural problems. But much more remains to be done. This is an area in which the actions of individual countries must be combined with cooperative efforts through institutions like the Fund. Structural policies have important international spillover effects; in an increasingly integrated world economy, distortions in one country influence resource allocation in other countries.

But maintaining a medium-term policy focus of the kind I have just sketched implies strong resolve in rackling developments that may threaten the medium-term goals. We must be willing to take action to keep the world economy on a stable course. In this context there are two potential trends that deserve attention. One, which is familiar, is the persistence of large payments imbalances among the major industrial countries. The other, which is more recent in origin, is the emergence of signs that inflation may be picking up.

The recent reductions in the current account imbalances of the three largest countries are welcome and encouraging. They stand behind the sounder conditions in exchange rates of the past year or so. Nevertheless, we should not allow ourselves to be lulled into a sense of false security. The payments deficit and surpluses that we would presently foresee in the medium term are clearly large enough to remain a source of concern. Dealing with them will require a continuation of the cooperative approach that the major countries have been pursuing

over the last three years and a reinforcement of policies under that approach. I want to underline here that firm action to strengthen the U.S. fiscal position still has a central role to play in releasing resources to improve the payments position and strengthen investment. A strong budgetary position in the United States would help make exchange markets more resilient in the face of unexpected developments; and it would lower real interest rates, with beneficial effects for indebted countries. Surplus countries, on the other hand, need to ensure that the recent strengthening in the pace of their domestic demand growth is sustained. All must work together to see that the momentum of external adjustment is sustained. This involves an appropriate combination of mutually consistent macroeconomic and structural policy, implemented in the framework of a stable and sustainable pattern of exchange rates.

Concerning inflation, the central requirement is to avoid the return of inflationary psychology. Once inflationary expectations become embedded, it is costly and time-consuming to eradicate them. There are on the horizon a few scattered warning signals. Capacity utilization rates have been rising in most industrial countries; labor market conditions are tightening in some countries; non-oil commodity prices are well above last year's levels. Even if the indication coming from the development of monetary aggregates are not always easy to interpret, at a minimum they also suggest the need for special vigilance in the period ahead. A revival of inflation fears would be in no one's interest. I believe central banks have acted wisely in showing their determination to do whatever is necessary to keep at bay the forces of

inflation.

But let us be careful not to repeat the mistake we have committed before: that is, leaving it to monetary policy alone to carry the burden of controlling inflation. It is too much to ask of monetary to counter the inflationary effects of budgetary disorders. Rather, action to curb unsustainably large budget deficits has to reduce the need for monetary stringency.

* * * * *

Our second major objective should be to facilitate freer international trade. On this I can be brief.

The persistence and intensification of trade restrictions in recent years, particularly in the industrial countries, is a major blemish on the international system. We all know that this is rooted in national policy deficiencies: structural rigidities and macroeconomic imbalances. We all know that protectionism is a costly and ultimately self-defeating response. We all know that the liberalization of trade policies and the removal of protective subsidies--particularly in the agricultural sector--would improve the efficiency of resource allocation, help maximize welfare in all countries, and facilitate the adjustment efforts of heavily indebted countries.

Recognition of these realities is reflected in the broad scope of multilateral trade negotiations under the Uruguay Round. The Punta del Este Declaration points the way forward. And the strengthened outlook for world trade in the immediate future provides a golden opportunity to turn words into action. Let us seize this opportunity, swiftly and boldly.

Third, we need to strengthen the international monetary system. A little noticed milestone in 1988 was the tenth anniversary of the ratification of the Second Amendment to the Fund's Articles. The second Amendment, though, contains unfinished business, which we would do well to address in the coming years. The unfinished business is Article IV. Article IV asks the Fund to adopt "specific principles" to guide members' exchange rate policies. The principles that have been adopted, however, have lacked specificity, and have not succeeded in giving much practical guidance.

A decade and a half after the beginning of generalized floating, it is all the more remarkable that the contours of new international monetary arrangements are beginning to emerge. The new arrangements are based on intensified coordination, especially among the major industrial countries. They reflect a recognition that exchange rate fluctuations impose significant economic costs, but that it is neither feasible--nor necessarily desirable--to move back to a system of fixed exchange rates.

How can one characterize the new arrangements? They involve a mixture of substantive and procedural elements. Substantively, there is a general recognition that the major countries have a collective responsibility to achieve a low and stable rate of inflation. Similarly, it is recognized that fiscal and structural policies should be framed to help support international adjustment and reasonable stability in foreign exchange markets. The need, in particular, to make steady progress toward medium-term fiscal goals is accepted. Lastly, the major countries have agreed to use intervention, where necessary, to

avoid disturbances to exchange rates.

These substantive elements of emerging monetary arrangements are supported by technical and procedural elements. One of the most important developments in this regard has been the gradual refinement of economic indicators. The role of indicators in the Fund's work, embraces both our regular analysis of the World Economic Outlook, as well as our Article IV consultations with individual member countries. Indicators are not a magic formula. But they help define the scope of policy coordination discussions, as well as make them more systematic and concrete. They also provide a standard by which to set objectives and to monitor progress toward such objectives.

Coordination has made considerable strides; but we still need to ask how existing mechanisms can be strengthened. For example, should indicators be developed so that they have a prescriptive as well as a descriptive role? How can medium-term goals be translated into short-term policy requirements? How can the interests and the views of smaller countries be properly taken into account in policy coordination by the major industrial countries and in the evolution of the international system? What obligations should smaller countries be expected to shoulder? What is the role of the SDR? More generally, How can we best evaluate the many proposals for systemic reform and determine the best possible anchor for systemic stability?

These are not issues that need to be, or can be, resolved overnight. Nevertheless, they need to be borne in mind as we continue the task of adapting international monetary arrangements to the needs of

the 1990s. The Fund, which--according to its Article--was specifically created to provide "the" machinery for consultation and collaboration on international monetary problems, has to help its membership focus more sharply on these questions. Accordingly, I am delighted to inform you that the Executive Board recently decided to give high priority from now on to its work on the international monetary system. This will proceed jointly with ongoing work aimed at fostering strengthened cooperation among the major industrial countries--work in which the Fund has, for some time now, been closely associated.



Office Memorandum

cc: HQ's Acting Secretary

cc: ME
Pdel *N*

TO: Mr. Mohammed

September 15, 1988

FROM: Hernán Puentes *HPL*

SUBJECT: Latin American Press Seminar in Berlin

As you know, the World Bank and the Fund will jointly sponsor a seminar for Latin American and Spanish press covering the Annual Meetings on September 23, 1988, for which final arrangements have now been completed. The seminar will take place at the ICC Berlin, Room #8, from 9:30 a.m. to 6:00 p.m. (see program attached). Proceedings will be conducted in Spanish and will include a morning session dedicated to presentations by Fund staff (Messrs. Guitián, Bonangelino, and myself) and an afternoon session dedicated to the World Bank.

There will be a luncheon for staff and seminar participants, hosted by yourself, Mr. Beza, and Mr. Hussain, at 1:00 p.m., ICC Berlin, Room #9. A list of participants will be available closer to the date of the seminar.

Attachment

cc: Mr. Beza
Mr. Guitián ✓
Mr. Bonangelino
Mr. Hartmann (o/r)
Mr. Gamarra (World Bank)

JOINT BANK/FUND ANNUAL MEETINGS

Latin American Press Seminar

Program

September 23, 1988

ICC Berlin

Room #8

Morning Session:

9:30-10:30 a.m.

10:30-11:30 a.m.

11:30-11:45 a.m.

11:45-12:45 p.m.

1:00 p.m.

Afternoon session :

3:00-6:00 p.m.

International Monetary Fund

Background on the Agenda of the
Interim Committee
Hernán Puentes (EXR)

Structural Adjustment and the Debt
Strategy
Manuel Guitián (EUR)

Coffee Break

Problems in the Design of Adjustment
Programs in Latin America
Miguel Bonangelino (WHD)

Joint Luncheon ICC Berlin, (Room #9)

The World Bank

Development Committee Issues at the
Annual Meetings
Francisco Aguirre-Sacasa (EXT)

World Bank Lending Programs and
Policies in Latin America
Carlos Quijano (LAC)

Latin America and the Caribbean:
Economic Prospects
Marcelo Selowsky (LAC)

World Bank's Role in Environmental
Issues in Latin America
Maritta Koch-Weser (LAC)

IMF OFFICIAL MESSAGE

WASHINGTON, D. C. 20431

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23 MACQUARIE BANK
22 SYDNEY
21 AUSTRALIA
20 ATTENTION MR. MARK NORVILLE

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17 RECEPTION ON SEPTEMBER 28. EITHER ONE OF MY COLLEAGUES
16 FROM THE EUROPEAN DEPARTMENT OR I WILL ATTEND.

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14 MASSIMO RUSSO

13 DIRECTOR

12 EUROPEAN DEPARTMENT

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DATE: 9/16/88

AUTHORIZED BY P. de Fontenay
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TO : IMF
FROM : MACQUARIE BANK LIMITED, SYDNEY
DATE : 15 SEPTEMBER, 1988

ATTN : MASSIMO RUSSO ✓
DIRECTOR, EUROPEAN DEPT →

RECEPTION AND PRESENTATION ON THE AUSTRALIAN ECONOMY

DAVID S CLARKE, EXECUTIVE CHAIRMAN, MACQUARIE BANK LIMITED,
SYDNEY, INVITES YOU TO A PRESENTATION ENTITLED:

STRUCTURAL CHALLENGES FACING THE AUSTRALIAN
ECONOMY AND FINANCIAL MARKETS

DURING THE FORTHCOMING IMF/WORLD BANK ANNUAL MEETINGS IN WEST
BERLIN.

THE PRESENTATION WILL BE HELD AT 4 PM ON WEDNESDAY, 28 SEPTEMBER
1988, AT THE GRAND HOTEL ESPLANADE, LUTZOWUFER 15, D-1000 BERLIN
30.

THE PRESENTATION WILL BE BY A PANEL OF DISTINGUISHED SPEAKERS,
CHAIRIED BY DAVID CLARKE, AND INCLUDING:

- BERNIE FRASER, SECRETARY TO THE AUSTRALIAN TREASURY?
- BILL SHIELDS, CHIEF ECONOMIST AND DIRECTOR, ECONOMICS
DIVISION, MACQUARIE BANK? AND
- ANDRE COHEN, FINANCE DIRECTOR (EUROPE), TNT GROUP, A
LEADING AUSTRALIAN CORPORATION.



AS IN PREVIOUS YEARS, THIS PRESENTATION WILL PROVIDE OFFICIALS AND FINANCIAL INSTITUTIONS ATTENDING THE ANNUAL MEETINGS WITH A COMPREHENSIVE AND BALANCED UNDERSTANDING OF RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS IN AUSTRALIA, AS WELL AS PROSPECTS FOR THE YEAR AHEAD.

BECAUSE OF THE POPULARITY OF PAST PRESENTATIONS, WE ARE OBLIGED TO LIMIT ATTENDANCE TO ONE PERSON FROM EACH INSTITUTION OR DELEGATION ATTENDING THE ANNUAL MEETINGS. WE HOPE THAT YOUR INSTITUTION WILL BE ABLE TO PARTICIPATE AND WOULD BE GRATEFUL IF YOU COULD ADVISE US WHETHER YOU, OR A COLLEAGUE, WILL ATTEND.

THE PRESENTATION, WHICH WILL INCLUDE TIME FOR QUESTIONS, IS EXPECTED TO LAST ABOUT ONE HOUR AND WILL BE FOLLOWED BY A RECEPTION.

RSVP: MACQUARIE BANK, SYDNEY, AUSTRALIA
 ATTENTION: MR MARK NORVILLE
 TELEX: 122246
 FACSIMILE: 61 2 237.3350
 TELEPHONE: 61 2 237.3547

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OFFICE OF THE
MANAGING DIRECTOR

INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

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September 15, 1988

MEMORANDUM

To: Mr. Whittome
Mr. Ouattara
Mr. Beza
Mr. Laske
Mr. Narvekar
Mr. Russo ✓
Mr. Shaalan

From: Hugh Simpson *HS*

Subject: Bilateral Meetings with the Managing Director

Attached are schedules of bilateral meetings with the Managing Director that have been arranged so far. Revised schedules will be circulated next week in Berlin to take account of any changes. All meetings will be in the Managing Director's Office at the ICC (Hall 15 - 1, Room 15) unless otherwise indicated.

Attachments

cc: The Deputy Managing Director

RECEIVED
1988 SEP 16 AM 11:23
EUROPEAN DEPARTMENT

<u>Department</u>	<u>Country</u>	<u>Date</u>	<u>Time</u>
EUR	Germany		
	Dr. Brantner (KfW)	Friday, Sept. 23	9:30 a.m.
	Mr. Stoltenberg	Friday, Sept. 23	10:00 a.m.
	Mr. Klein	Saturday, Sept. 24	6:00 p.m.
	United Kingdom	Friday, Sept. 23	7:15 p.m.
	* Yugoslavia - at Hotel Kempinski	Saturday, Sept. 24	10:00 p.m.
	* Italy	Saturday, Sept. 24	5:30 p.m.
	Poland	Friday, Sept. 30	8:30 a.m.
	* South Africa	Friday, Sept. 30	11:30 a.m.

* To be confirmed



Office Memorandum

me

To: The Managing Director
The Deputy Managing Director

September 15, 1988

From: P. de Fontenay *df*

Subject: European Department--Annual Meeting Briefs

I attach the Annual Meeting briefs for the countries in the European Department.

Attachments

cc: Mr. H. Simpson

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DATE 9/16/88

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NAME (TYPE) P. de Fontenay

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P. de Fontenay



Office Memorandum

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TO: Division Chiefs
FROM: P. de Fontenay
SUBJECT: Annual Meeting Briefs

September 13, 1988

Could you please let Mrs. Girvan have the final versions of the Annual Meeting briefs by c.o.b. on Wednesday, September 14.

Thank you for the special briefs prepared for countries other than those for which meetings with the Managing Director have been arranged; they will be most helpful to Messrs. Russo, Guitián and myself for discussions with the delegations.



Office Memorandum

To: Immediate Office ✓
Advisors
Division Chiefs

September 30, 1988

From: Leslie Lipschitz *LL*

Attached is an article by Mr. Engelen from The International Economy, September/October 1988. It is very similar to his lead article in the Handelsblatt supplement on the IMF/World Bank meetings in Berlin that was mentioned at yesterday's Division Chief's meeting.

Att.



THE INTERNATIONAL MONETARY FUND ARCHIVES

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ARCHIVAL REF. NUMBER	593252
FILE TITLE & DATES	Annual Meetings - Correspondence (Berlin), 1988

FONDS	European Department Records, 1946-1994
SOUS-FONDS	European Department Immediate Office Records, 1946-1994
SERIES	EURAI Subject Files, 1953-1993
BOX NUMBER	A25649-260
FILE NUMBER	1

DATE REVIEWED	2024-12-18
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DETAILS OF WITHDRAWN MATERIAL

DATE September/October 1988
TYPE Journal article
PUBLICATION The International Economy
TITLE Anger and Angst – Why the Germans Hate the World Bank and the IMF
AUTHOR Klaus C. Engelen
NO. PAGES 5
LANGUAGE English

European Country Documents

SM/88/110	Australia - Staff Report
SM/88/120	Australia - RED
SM/88/73	Austria - Staff Report (Interim)
SM/88/75	Belgium - Staff Report
SM/88/79	Belgium - RED
SM/88/171	Cyprus - Staff Report (Interim)
SM/88/77	Denmark - Staff Report
SM/88/81	Denmark - RED
SM/88/138	Finland - Staff Report
SM/88/144	Finland - RED
SM/88/182	France - Staff Report
SM/88/199	France - RED
Buff 88/137	Germany - Statement by Mr. Grosche on Board meeting
SM/88/136 + Sup.1	Germany - Staff Report
SM/88/143 + Sup.1	Germany - RED
SM/87/185	Greece - Staff Report
SM/87/228 + Sup.1	Greece - RED
EBS/88/47 + Sup.1	Hungary - Staff Report and Request for Stand-by
SM/88/62	Hungary - RED
EBS/88/174	Hungary - Review Under Stand-by Arrangement
EBS/88/114	Iceland - Exchange Arrangements
SM/87/289 + Sup.1	Iceland - Staff Report
SM/88/14	Iceland - RED
SM/88/169	Ireland - Staff Report (Interim)
SM/88/114 + Sup.1	Israel - Staff Report (Interim)
SM/88/22 + Sup.1	Italy - Staff Report
SM/88/34 + Sup.1	Italy - RED
SM/87/136	Luxembourg - Staff Report
SM/87/146	Luxembourg - RED
SM/88/164	Malta - Staff Report
SM/88/197	Malta - RED
SM/88/11	Netherlands - Staff Report
SM/88/20	Netherlands - RED
SM/87/242	Netherlands Antilles - Staff Report
SM/87/244	Netherlands Antilles - RED
SM/88/115	New Zealand - Staff Report
SM/88/128	New Zealand - RED
SM/87/145	Norway - Staff Report
SM/87/157	Norway - RED
SM/88/175	Poland - Staff Report
SM/88/184	Poland - RED
SM/88/146	Portugal - Staff Report
SM/88/152 + Sup.1	Portugal - RED
SM/87/174	Romania - Staff Report
SM/87/197	Romania - RED
SM/88/186	South Africa - Staff Report
SM/88/200	South Africa - RED
SM/88/69	Spain - Staff Report
SM/88/95	Spain - RED

Massimo Russo
Director
European Department
International Monetary Fund

SM/88/149	Sweden - Staff Report
SM/88/153	Sweden - RED
SM/88/140 + Sup.1	Turkey - Staff Report
SM/88/150	Turkey - RED
SM/88/28	United Kingdom - Staff Report
SM/88/38 + Sup.1	United Kingdom - RED
SM/88/273	Yugoslavia - Report on External Debt Renegotiation
SM/87/187 + Sup.1	Yugoslavia - Staff Report under Enhanced Surv.
EBS/88/89	Yugoslavia - Letter of Intent
+ Sup. 1-5	Yugoslavia - Staff Report and Request for Stand-by
SM/88/109	Yugoslavia - RED

Miscellaneous

Kettle
Tea bags
2 mugs
WordPerfect Instruction book
Invitations
Visitors and Special Guest Lists
Advisory Committee Meeting folder

Berlin

Sept. 1988

Policy and Non-European Country SM Documents

SM/87/151	Publication of Paper on Theoretical Aspects of the Design of Fund-Supported Adjustment Programs
SM/88/39 + Sup.1	Annual Review of the Implementation of Surveillance and Biennial Review of the Document Entitled "Surveillance over Exchange Rate Policies"
SM/88/53	Fiscal Aspects of Fund-Supported Programs
SM/88/59	Official Multilateral Debt Rescheduling: Recent Experience
SM/88/61	Issues in the Reports of the Group of Ten and Group of Twenty-Four on the Role of the Fund - Progress Report on the Status of Work
SM/88/148	Enhanced Structural Adjustment Facility (ESAF) - Operational Guidelines for the Staff
SM/88/158	European Communities (EC) - New Directive on the Liberalization of Capital Movements
SM/88/160 + Sup. 1	United States - Staff Report
SM/88/162 + Sups. 1-3	United States - RED
SM/88/163	International Liquidity and the Role of the SDR
SM/88/166 + Sups. 1-3 + Corrs.	Trade Policy Issues and Developments
SM/88/167	The Industrial Policies of Industrial Countries and Their Effects on Developing Countries
SM/88/176	International Banking Activity in the First Quarter of 1988
SM/88/180	World Economic Outlook - Statistical Appendix
SM/88/181 + Cor. 1	World Economic Outlook - Annexes
SM/88/183	International Coordination of Economic Policies
SM/88/194	Exchange Rate Arrangements Maintained by Members as of June 30, 1988

Policy and Non-European Country EBS Documents

EBS/88/5	Issues in the Debt Strategy
EBS/88/6	The Implications of Fund-Supported Adjustment Programs for Poverty - Experiences in Selected Countries
EBS/88/7 + Sup.1	Reconsideration of the Extended Fund Facility
EBS/88/13	Legal Effects of Approval or Nonapproval of Exchange Restrictions by the Fund
EBS/88/20	Review of the Compensatory Financing Facility - Further Considerations
EBS/88/30 + Sup.1	External Contingency Mechanisms in Fund Arrangements - Preliminary Considerations
EBS/88/49	Review of the Fund's Liquidity and Financing Needs
EBS/88/50	Conditionality - A Survey of Current Issues
EBS/88/51	The Use of Limits on External Debt in Fund Arrangements
EBS/88/55	Management of the Debt Situation - Developments, Issues, and Role of the Fund
EBS/88/65 + Sup.1	The Policy Framework Paper (PFP) - Seminar on the PFP and Aid Coordination and Related Issues
EBS/88/95	Extended Fund Facility and Policy on Enlarged Access - Amendments
EBS/88/98	Information Note on the Secondary Market, Mexican Debt Exchange and Bolivian Buy-Back
EBS/88/100	Modalities for the Compensatory and Contingency Financing Facility
EBS/88/123	Overdue Financial Obligations to the Fund
EBS/88/124	Overdue Financial Obligations to the Fund - Statistical Background and Existing Fund Policies
EBS/88/126	Brazil - Stand-by Arrangement - Letter of Intent
EBS/88/128	Draft Decision Relating to Compensatory and Contingency Financing

Massimo Russo
Director
European Department
International Monetary Fund

EBS/88/129	Structural Adjustment Facility - Third-Year Access
EBS/88/137	Policy for IBRD Loan Loss Provisioning - President's Memorandum
EBS/88/146 + Sup.1	Proposed Decision Relating to the Compensatory and Contingency Financing Facility
EBS/88/150	Enhanced Structural Adjustment Facility - Proposed Prescriptions of Operations in SDRs
EBS/88/157	Access Limits for 1989 - Preliminary Policy Considerations
EBS/88/158	Review of Access Limits for the Buffer Stock Financing Facility for 1989
EBS/88/159	Issues in Managing the Debt Situation
EBS/88/160	Staff Note on Issues Relating to Access Limits and the Calculation of Fund Financing in the Compensatory and Contingency Financing Facility
EBS/88/164	Overdue Financial Obligations to the Fund - Statistical Update
EBS/88/165	Review of the Fund's Liquidity - Financing Needs and Financial Considerations for Access Policy in 1989
EBS/88/166 + Rev. 1 + Rev. 2	Draft Report of the Executive Board to the Interim Committee of the Board of Governors on Overdue Financial Obligations to the Fund
EBS/88/167	World Economic Outlook - Prospects and Policy Issues
EBS/88/171	Enhanced Structural Adjustment Facility (ESAF) - Progress Report on Operations

EBDs

EBD/88/140	United States - Address by Treasury Secretary Baker
EBD/88/144	Proposals on Extending the Policy Framework Paper (PFP) Process to Middle Income Debtors
EBD/88/168	Toronto Summit - Extract of a Letter by President Mitterand
EBD/88/174	1988 Economic Summit - Toronto Economic Declaration

EBD/88/204	Foreign Exchange and Financial Markets in June 1988
EBD/88/205	Recent Exchange and Financial Market Developments
EBD/88/226	Charts on Exchange Market Developments
EBD/88/231	Gold Prices in World Markets in July 1988
EBD/88/246	Background Material on Exchange Rate Developments
EBD/88/249	Recent Exchange and Financial Market Developments
EBD/88/253	Charts on Exchange Market Developments

Buff Documents

88/126	Chairman's Summing Up of Discussion on the Compensatory and Contingency Financing Facility
88/128	Statement by the Managing Director on Work Priorities after the 1988 Annual Meetings
88/157	Acting Chairman's Summing Up at Conclusion of Discussion on Third-Year Access Under the SAF
88/163	Statement by Mr. Dallara on the United States
88/172	Chairman's Concluding Remarks at the Discussion on Issues in Managing the Debt Situation
88/173	Chairman's Pesonal Comments on the Debt Situation
88/175	Chairman's Summing Up on Discussion of Managing Director's Aide Memoire on the Size of the Fund and on the Share of the Developing Countries in the Fund - Committee on the Whole of the Ninth General Review of Quotas
88/179	Chairman's Summing Up at Conclusion of Discussion on Access Limits for 1989, Review of Access Limits for the Buffer Stock Financing Facility, and Review of the Fund's Liquidity
88/180	Chairman's Summing Up at Discussion by the Committee of the Whole for the Development Committee on the Joint/Fund Staff Report on Poverty Issues

Massimo Russo
Director
European Department
International Monetary Fund

Development Committee Documents

EB/CW/DC/88/2	Development Committee - Annual Report
EB/CW/DC/88/4	The Industrial Policies of Industrial Countries and Their Effects on Developing Countries - Summary and Issues for Discussion
EB/CW/DC/88/5	Industrial Policies of Industrial Countries - Impact on Developing Countries
EB/CW/DC/88/7	Strengthening the World Bank's Poverty Focus - Future Directions
EB/CW/DC/88/9	Joint Bank/Fund Staff Report on Poverty Issues

Quota Documents

EB/CQuota/88/5	Ninth General Review of Quotas - Alternative Calculations of the Size and Distribution of Increases in Quotas
EB/CQuota/88/7	Ninth General Review of Quotas - The Share of the Developing Countries in the Fund
	A Proposal for a Debt Adjustment Facility - Draft for Discussion
	Ninth General Review of Quotas - The Size of the Fund

Books

Directory of Members, Quotas etc.
Ten Misconceptions About the IMF
What is the International Monetary Fund
The IMF and the World Bank How Do They Differ?
Helping the Poor, the IMF's New Facilities for Structural Adjustment
Information on Filing Application for Membership
Admission to Membership in the International Monetary Fund - Manual of Procedures
By-Laws, Rules and Regulations, IMF
Articles of Agreement
Selected Decisions of the IMF and Selected Documents, Thirteenth Issue
Bulletin of the European Communities, Supplement 2/86 Single European Act
World Development Report 1988
Multilateral Official Debt Rescheduling - Recent Experience, May 1988

Massimo Russo
Director
European Department
International Monetary Fund

OECD Economic Outlook, No. 43, June 1988
Exchange Arrangements and Exchange Restrictions Annual Report 1988

Miscellaneous

Plastic cups
Personalized note pads (4)
Calling cards
Compliment slips

Folder of log sheets and forms
MD/DMD letter head and envelopes

European Department briefing books - M. Russo, P. de Fontenay
European Department briefs

Folders/papers on:

G5/G7
World Economic Outlook
Development Committee
Group of Ten
Interim Committee
G24
Nordic visit
USSR/Czechoslovakia
European Department country memoranda

INTERNATIONAL MONETARY FUND

9/13

TO : Mr. de Fontenay/Mr. Guitián

FROM: Lynne

Mr. Russo has asked if you would handle the comments for both the WEO - Note by the Managing Director and the Managing Director's Speech in Bombay please. He will not have time to do so.

INTERNATIONAL MONETARY FUND

9/9/88

Mr. de Fontenay,

Attached, as requested, are
the tasks lists for countries
covered by EED-II.

Valerie B.

Duncan M. Ripley

EII ANM--romtasks - Sept. 9/88

ROMANIA

Tasks for the Annual Meetings

1. The Romanian delegation has requested a meeting with the staff regarding prepayments to the Fund (cable attached).
2. Efforts should also be made once again to agree on the timing ✓
of the next mission; were they to be unsuccessful, the Romanian delegation should be informed that the Board must be notified shortly of the reasons for the failure to meet the 12-month rule.
3. The delegation should again be reminded of the lack of ✓
transmission of economic data--complete cessation from April 1988.

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Ministerul Finantelor
Bucharest (Romania)

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MR.H.SIMPSON

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IMF UR WASHINGTON DC
ATTN. MR.MICHEL CAMDESSUS—
GENERAL MANAGER INTERNATIONAL
MONETARY FUND

TAKING THE OPPORTUNITY OFFERED BY THE IMF-IBRD ANNUAL MEETINGS IN WEST BERLIN, I WOULD LIKE TO INFORM YOUA ABOUT THE WISH OF ROMANIAN DELEGATION TO DISCUSS WITH THE IMF STAFF THE PREPAYMENTS OF ROMANIA'S OUTSTANDING DEBTS TO THE IMF.

I THIS RESPECT WE WOULD APPRECIATE VERY MUCH IF YOU COULD INSTRUCT THE IMF STAFF MEMBERS TO BE ABLE TO DISCUSS WITH OUR DELEGATION, IN WEST BERLIN, THE ABOVE ISSUE.

AN ANWER TO THIS MATTER, BEFORE THE ANNUAL MEETINGS WILL BE APPRECIATED.

BEST REGARDS,
GHEORGHE PARASCHIV
MINISTER OF FINANCE

BUCHAREST, SEPTEMBER 9, 1988

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TURKEY

Tasks for Annual Meetings

1. A staff visit to Turkey could be suggested before the end of the year, preferably in time for some input into 1989 budget and macroeconomic program; [the possible issuance of a Board paper following the visit could be raised with the authorities though this may not be welcome.] ✓

2. EUR and FAD should finalize with the authorities the arrangements for a technical assistance mission relating to the taxation of financial instruments (to be led by FAD, with EUR participation). ✓

3. EUR and ETR should follow up with the authorities the MD's request for a subsidy to Turkey's ESAF contribution.

YUGOSLAVIA

Tasks for the Annual Meeting

1. A meeting of the Yugoslav delegation with the Managing Director has been scheduled for [Monday, September 26 at ____ a.m.].
2. A meeting between the Yugoslav delegation and the staff members would be appropriate to discuss the timing of the midyear review. It is presently scheduled for October. Given the uncertainties surrounding the outlook for inflation, the negotiations to agree performance criteria for the second half of the SBA are likely to prove difficult. An early impression of the Yugoslav position might be obtainable at the time of the meetings.
3. After the midyear review in October, for which dates need to be set, further missions will be required for the Article IV (possibly December) and, potentially, for further use of Fund resources in 1989. The latter discussions might be expected to begin in January.



Office Memorandum

TO: Mr. de Fontenay
FROM: Bruce J. Smith
SUBJECT: Discussions with Country Delegations at Annual Meetings

September 9, 1988

For the countries covered by MAR, the only issues that really need to be resolved at the Annual Meeting during your discussions with delegations are the broad dates for missions in the coming year. For convenience, I attach copies of two memoranda which have recently been prepared outlining the main issues as I see them. My proposal, in summary, would be as follows:

United Kingdom: Article IV. November 25 - December 5. These dates were proposed by the authorities and Mr. Russo has today sent confirmation to Mr. Huw Evans. ✓

New Zealand: Bicyclic discussions. Preferred date would be March 1989. The authorities had indicated this general timing would suit them, and that, if a delay were necessary, the next convenient timing for them would be August/September. It may be worthwhile to sound them out on a future move to a later schedule--June or September. ✓

Australia: Article IV. Preferred date June 1989, but February 1989 would be possible with a little difficulty. The authorities have agreed to a late May/early June mission in 1989 but would prefer not to repeat that timing in future years.

South Africa: Article IV. Preferred date May 1989. This should suit the authorities who have indicated that they would prefer a mission that does not come too near the late June end of the parliamentary session. ✓

Ireland: Article IV. Preferred date September 1989. This timing would be some three months later than the interim consultations this year, and is proposed as a means of evening out the division's mission load between the two semesters. The authorities have indicated they are flexible as to the timing of the mission. ✓

cc: Mr. Russo
Mr. Schmitt



Office Memorandum

TO: Mr. de Fontenay

FROM: Bruce J. Smith

SUBJECT: Maritime Division--Mission Program
September 1988-September 1989

September 1, 1988

As you requested, I have had another look at the draft mission program up to the end of 1989 attached to my memorandum of July 5, 1988 to Mr. Schmitt. The aim has been to see how we could accommodate a February 1989 mission to Australia.

If an earlier mission to Australia is needed, there would be some associated difficulties that would need to be considered:

(1) There would be a troubling overlap between the work on the United Kingdom (November 1988) and that on Australia. Mr. Archer is a key member of both missions and it would involve a cost to the U.K. consultation to release him to prepare for a February mission to Australia. While this may not be impossible, it would be necessary to replace Mr. Thakur who had been penciled in for Australia but who will be busy on the United Kingdom until early March. The most obvious alternative would be Mr. Wein.

(2) There would also be a troubling overlap of work with New Zealand (March 1989). The bunching of three missions during November-March, as occurred this year, creates an imbalance in the Division's workload over the course of the year and places a difficult burden on our secretarial and administrative capacity.

(3) The alternative of pushing the New Zealand mission back until June is not really attractive. The authorities have indicated that a midyear mission is difficult for them--suggesting that, if a delay is needed, August/September would be the next convenient date; such a delay would be excessive at this time when they have just been put on the bicyclic procedure. Perhaps if asked again they may accept a bicyclic mission in June next year, although this is unlikely to be attractive to them on a permanent basis. Also, a delay until June would necessitate finding an alternative leader for South Africa.

On the whole, while we could probably manage a mission in February if needed, I would still be inclined to see net advantages in a June mission to Australia. This would be so even if this timing were only for 1989, especially as we would aim by 1990 to have desk continuity not tied to the U.K. mission as will be the case next year. Of course, as you note, this would not solve our ongoing scheduling problem--which would seem to require finding a new regular "slot" for either Australia or New Zealand later in the year. However, this may well be possible to arrange with a little patience on our part. The

present reluctance in Canberra for a post-May Statement mission may not be long lasting, while equally the present obstacles to a later New Zealand mission may be less serious in time.

cc: Mr. Schmitt

Maritime Division

Alternative Mission Program, September 1988-September 1989

United Kingdom: 1988 Article IV Consultation

Date: November/December 1988

Mission: Russo
Smith
Thakur
Bercuson
Archer
(FAD)

Australia: 1989 Article IV Consultation

Date: February 1989

Mission: de Fontenay
Hansen
Wein
Archer

New Zealand: 1989 Bicyclic Consultation Discussions

Date: March 1989 or June 1989

Mission: Smith
Thakur
Saito
(MAR)

South Africa: 1989 Article IV Consultation

Date: May 1989

Mission: Smith/EUR
Bercuson
Wein
Archer

Ireland: 1989 Article IV Consultation

Date: September 1989

Mission: Smith/EUR
Hansen
Wein
MAR



Office Memorandum

TO: Mr. Schmitt

FROM: Bruce J. Smith

SUBJECT: Maritime Division--Mission and Work Programs,
September 1988-December 1989

July 5, 1988

Attached for your consideration is a possible outline of the mission/work program for Maritime Division covering the period up until the end of 1989. We have experienced considerable difficulty this year in dealing with a heavy concentration of mission work in the first half of the year. A more even distribution throughout the year would clearly be desirable--and is incorporated in the draft 1989 program. A byproduct of our heavy schedule in the first half of 1988 is that Messrs. Wein and Saito will not have new mission assignments within the Division until early 1989; they would, therefore, in principle be available for assignment elsewhere, although we would, of course, see great merit in their concentrating on Division-related research. For example, Mr. Saito will be writing a longer-perspective review of New Zealand's problems and reforms for publication in the IMF Survey late in the summer.

The timing of missions in 1989 is constrained in several respects. The U.K. mission is relatively inflexible because of G-5 scheduling agreements. The New Zealand authorities have indicated that, were there a need to delay the mission beyond March, the next suitable time would be September. In view of the fact that New Zealand has just been placed on the bicyclic procedure, this might be seen to involve an excessive delay. In the case of Australia, Mr. Hinton (Assistant Secretary dealing with Fund matters) indicated to me recently that June would be a suitable time for the authorities. For our part also, a mission coming after the May statement and before the budget would have attractions. Equally importantly, some of the staff suitable for the Australian mission would not be available for a mission in February, because of the overlap with the U.K. work. The Irish authorities are flexible as to the timing of the next mission--and indicated that September would not cause a problem for them. Mr. Tait indicates that the South African authorities would prefer that the mission not come too near the end of the parliamentary session that finishes at end-June.

The mission staffing assignments will depend importantly on the final makeup of the Division. I would draw to your attention several points.

1. I have tentatively suggested for your consideration that I head the missions to New Zealand, South Africa, and (possibly) Ireland as well as participate in the U.K. mission. The difficulty with my going to Ireland is that it may interfere with preparations for the United Kingdom.

2. With the departure of Messrs. Hadjimichael, Tavlas, and Cotis we will have some problems of continuity. For this reason it would be desirable that Mr. Archer again go to Australia, Mr. Wein to South Africa, Mr. Saito to New Zealand, and Mr. Hansen to Ireland.

3. This Division's demographic makeup has changed markedly recently--to include a strong concentration of seasoned senior economists but a shortage of young, technical economists--and no EP. This imbalance causes some mission staffing difficulties and must be taken into account in staffing decisions.

Attachment

Proposed Mission Program, September 1988-December 1989

United Kingdom: 1988 Article IV Consultation

Date: November 1988

Mission: Russo
Smith
Thakur
Bercuson
Archer
(FAD)

New Zealand: 1989 Bicyclic Consultation Discussions

Date: Early March 1989

Mission: Smith
Saito
Hansen
MAR

South Africa: 1989 Article IV Consultation

Date: Early May 1989

Mission: Smith
Wein
Bercuson
MAR/Hansen

Australia: 1989 Article IV Consultation

Date: Early June 1989

Mission: de Fontenay
Thakur
Hansen/MAR
Archer

Ireland: 1989 Article IV Consultation

Date: Early September 1989

Mission: Smith/EUR
Hansen
Wein
Saito



Office Memorandum

To: Mr. de Fontenay

September 7, 1988

From: Leslie Lipschitz

Subject: Annual Meeting

Attached are the annual meeting briefs for Germany, Austria, Greece and Switzerland (single- and double-spaced copies). Some numbers, such as the most recent exchange rates, will be filled in when the briefs are finalized.

Although the MD will probably only see the Germans, I am including special briefs for the other countries, too, on the grounds that they might be useful for the staff meetings with the delegations.

The tasks for CED countries are as follows:

Austria: Mr. Russo might wish to meet the new President of the National Bank, Mr. Klauhs. The Article IV consultations are usually in February; it would be better not to set precise mission dates yet. ✓

Germany: Nothing.

Greece: Mission dates. Recent developments. ✓

Switzerland: The Swiss will want to set the dates for the staff visit, but they should be held off until we see things more clearly on Greece and the fall agenda for CED. We are currently negotiating taking another Swiss onto the staff on a fixed-term basis. Subject to Board approval, Mr. Cippa of the National Bank will join the staff of the EUR department. (Mr. Rich of the National Bank assured me that this would be discussed with the administration in Berne. Moreover, as the current Swiss staff member, Mr. Fontana, was from Berne, there would be no internal Swiss problem with our taking on a man from the National Bank.)

Att.



Office Memorandum

TO: Mr. de Fontenay
FROM: Adalbert Knöbl *AK*
SUBJECT: Annual Meeting Tasks

September 9, 1988

Consultation dates for Norway and Iceland have been fixed; with the other countries we have a general understanding on the timing of the next consultation discussions. Given also the fact that Mr. Russo will visit all the Nordic countries in the week following the Annual Meeting, we have no issues that need be raised with the delegations from our countries during the Annual Meeting.

Party in Iceland

Annual Meeting Tasks

Cyprus:

Discuss possibility of acceptance of Article VIII. ✓

Inquire about status of request for technical assistance from CBD

(January 30-February 10, 1989 has been proposed as mission date). ✓

*No
confirm*

Italy:

Fix dates for consultation (early November). ✓

Spain:

Fix dates for consultation (~~January~~ ^{early 89} 1989).

Malta:

Set dates for next consultation mission. ✓

The timing and the terms of reference of a technical assistance mission from the Bureau of Statistics. *NO*

Portugal:

Set dates for next consultation mission. ✓

In all instances, clarify status of contribution to ESAF.



Office Memorandum

TO: Mr. de Fontenay

FROM: Michael Deppler *MD*

SUBJECT: Annual Meeting Tasks for WED Countries

September 9, 1988

These seem to be few.

France: It would be worth while trying to firm up the arrangement for Mr. Pujol's secondment from the Prévigion. We might also enquire whether the process of reconciling ETR and DREE estimates of the degree of trade protection is proceeding smoothly. (Mr. Moutot of ETR is supposed to meet with Mr. Mouton of DREE toward the end of September.) *N°*

Netherlands: The authorities might be sounded out on the mission dates. I am thinking, very provisionally, in terms of November 11-21 or possibly November 8-15. ✓

Belgium: It is too early to be discussing the next consultation, but, if it comes up, one might enquire about the topics that concern them. I am assuming the mission will take place in the first half of February.

Luxembourg: The authorities would prefer to have the mission take place in the first half of April. This should be confirmed and agreed to in principle. If I am to lead the mission (I would prefer not), the main consideration is that the mission dovetail with work on Belgium (including the Board meeting) and France. ✓



Office Memorandum

TO: Mr. de Fontenay

September 8, 1988

FROM: Jim Prust *J.P.*

SUBJECT: EED I Countries - Tasks for the Annual Meetings

Hungary

Discuss timing and content of forthcoming missions. Mission to begin discussion of new (replacement) stand-by arrangement in about November would appear appropriate.

Israel

Discuss timing of Article IV mission scheduled for February-March 1989. ✓

Poland

Matters may already have been settled with delegation visiting Washington for Article IV Board discussion in mid-September. If not, discuss timing and content of forthcoming missions. Authorities have tentatively indicated preference for mission to visit Warsaw starting mid-October to discuss policies and review prospects for stand-by negotiations. ✓

cc: Mr. Bélanger



Office Memorandum

To: Mrs. Conlon

September 6, 1988

From: Massimo Russo

A handwritten signature in dark ink, appearing to be "Massimo Russo", is written over the printed name.

Subject: Accommodation at Inter-Continental, Berlin

Would you please extend my stay at the Inter-Continental Hotel in Berlin to include the night of Friday, September 30, departing Saturday, October 1. Thank you.



Office Memorandum

To: Mrs. S. Pintoy

September 6, 1988

From: Audrey D. Daniels *AD*

Subject: Assignment Dates--Berlin (West)

The assignment dates for Mr. Russo and Mrs. Girvan have changed and now include September 30. They will depart Berlin (West) on October 1.



Office Memorandum

To: Mrs. Conlon

September 6, 1988

From: L.A. Girvan

Subject: Accommodation at the President Hotel, Berlin

Would you please extend my stay at the President Hotel in Berlin to include the night of Friday, September 30, departing Saturday, October 1.

If possible, would you also please change my accommodation from a double room to a single room. If this change means going to a different hotel then please leave me in the double room at the President. Thank you.



Office Memorandum

subject

✓

TO: Division Chiefs, EUR
Advisors

September 6, 1988

FROM: P. de Fontenay

SUBJECT: Annual Meeting Tasks

Could you please let me have by the end of the week (so that Mr. Russo can see it) a list of the issues that should be raised with the Annual Meeting delegations from your countries. Consultation dates are the most obvious topic for a number of countries but there are others, especially for operational countries and "problem cases."



OFFICE OF THE
MANAGING DIRECTOR

INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

CABLE ADDRESS
INTERFUND

September 2, 1988

RECEIVED
1988 AUG 33 PM 5:51
EUROPEAN DEPARTMENT

MEMORANDUM

To: Mr. Whittome
Mr. Frenkel
Mr. Laske

From: Hugh Simpson *HS*

Subject: Speaking Notes for the Managing Director in Berlin

1. At the forthcoming meetings the Managing Director will be called upon to intervene on a number of occasions. These are tentatively set out below with the departments that have agreed to provide speaking notes. (In a few cases I have shown departments that have a particular interest in commenting on the draft, but it goes without saying that drafts should be circulated for comments whenever necessary.)

2. Could you also please consider any subjects on which the Managing Director might need defensive briefing to be able to respond to points that come up in the discussion?

3. When a note goes through a series of drafts it would be very helpful if you would underline or sideline the principal changes in each draft.

4. The Managing Director will be leaving Washington on the afternoon of September 19.

G-24

- Statement previewing issues arising at the Interim and Development Committees, presumably with the main emphasis on Development Committee subjects. (ETR with contribution from RES on the WEO)

- Interim Committee

Mr. Mohammed
Mr. Narvekar
Mr. Russo ✓
Mr. Shaalan

INTERNATIONAL MONETARY FUND

August 29, 1988

TO : Ms. Tuason
FROM: Audrey D. Daniels *ad*
Subject: Final Annual Meeting Documents

In response to your memorandum of August 26,
please send to the European Department one set only
of Annual Meeting materials. We look forward to
receiving this on October 19.



Office Memorandum

August 26, 1988

To: Administrative Officers
From: *Mila Tuason*
Mila Tuason
Documents Distribution
Subject: Distribution of the Final Delegation List, Annual Meeting Documents and Speeches

A limited distribution of sets of Annual Meeting materials will be distributed again this year based upon the request that you place for your department or office. The distribution will be made on Wednesday, October 19. Copies of speeches, the final delegation list, the Annual Meeting documents will not be available in Documents Distribution prior to that date. We would, therefore, urge you to ask all who are attending the meetings to bring back at least one copy of any documents or speeches they will need prior to the distribution date.

In determining the number of copies that you will need, please be reminded that this is a large package which must be put together. We will be running only the number of copies requested and will not be able to fill additional requests after the distribution.

I would appreciate a reply by Thursday, September 8.

Thank you.

cc: Mrs. Peggy Thompson



THE INTERNATIONAL MONETARY FUND ARCHIVES

RECORD CLOSURE NOTICE

The item identified below has been closed in accordance with the International Monetary Fund's IMF's Open Archives Policy (Decision No. 14498 – (09/126), adopted 2009-12-17 and effective 2010-03-17, as amended. This policy can be found on the International Monetary Fund website.

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- ☐ Legal records and other material that are protected by attorney client privilege
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- ☐ Records and proceedings of the Grievance Committee
- ☐ Records acquired by the Fund by Third Parties, including Member Countries, with security classifications of 'CONFIDENTIAL' or above. (Declassification can be requested)
- ☒ Other sensitive nature: BoG

Archival Ref No.:	593252
File Title & Dates:	Annual Meetings - Correspondence (Berlin), 1988
Fonds:	European Department Records, 1946-1994
Sous-fonds	European Department Immediate Office Records, 1946-1994
Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-08-01
TYPE	Reservations
TO	n/a
FROM	n/a
SUBJECT/TITLE	Hotel reservation information
NO. OF PAGES	5
AUTHORITY	Board of Governors
LANGUAGE	English



THE INTERNATIONAL MONETARY FUND ARCHIVES RECORD CLOSURE NOTICE

The item identified below has been closed in accordance with the International Monetary Fund's IMF's Open Archives Policy (Decision No. 14498 – (09/126), adopted 2009-12-17 and effective 2010-03-17, as amended. This policy can be found on the International Monetary Fund website.

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Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-07-15
TYPE	Memorandum
TO	Executive Directors' Office Staff and fund, the World Bank Group and Joint Secretariat Staff attending the 1988 Annual Meetings in Berlin (West)
FROM	Robert S. Callis
SUBJECT/TITLE	Introduction to the Berlin (West) Meetings
NO. OF PAGES	2
AUTHORITY	Board of Governors
LANGUAGE	English



Office Memorandum

July 6, 1988

To: *Mrs DANIELS*

From: M. Tuason *M. Tuason*
Documents Distribution

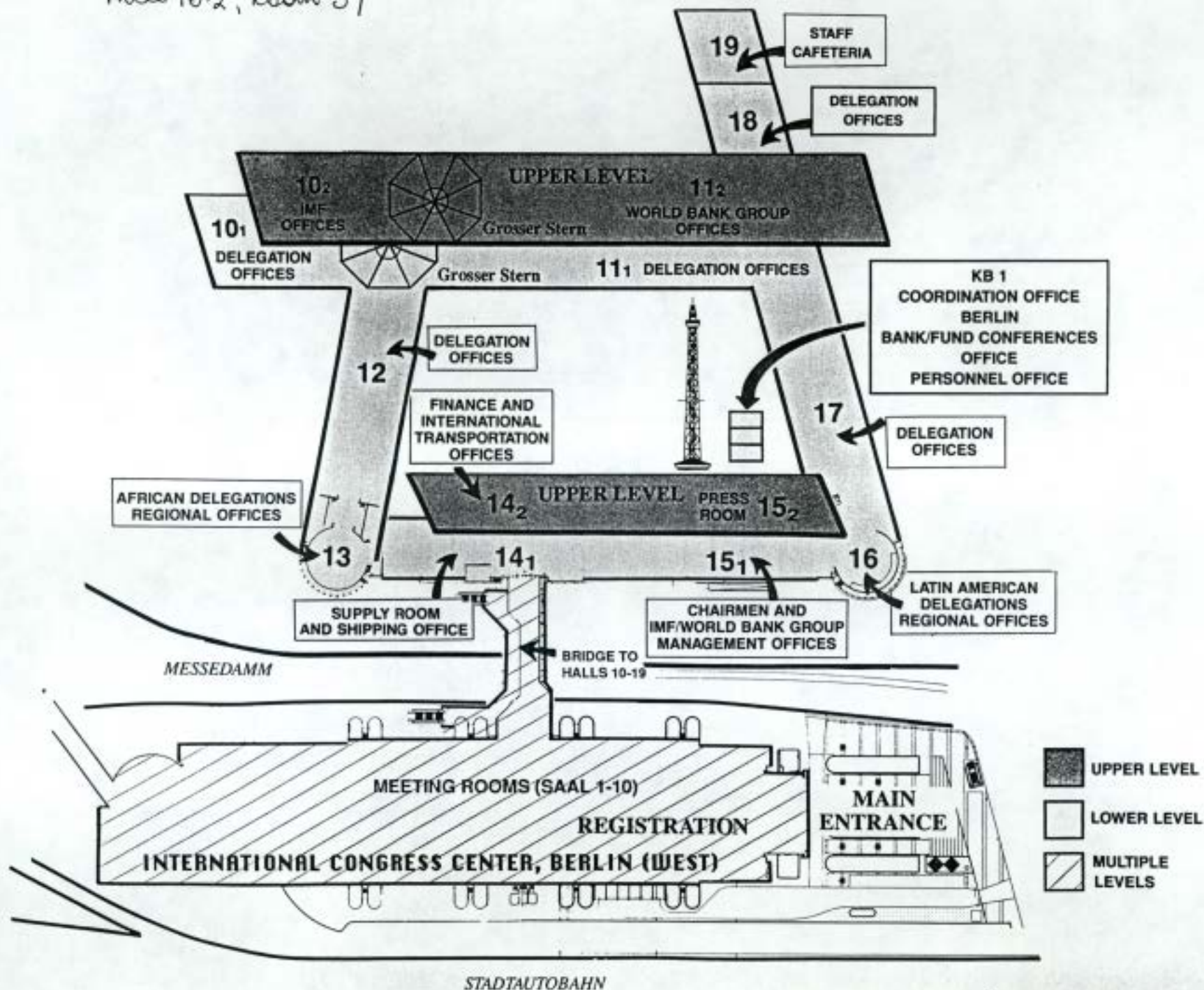
Subject: 1988 Annual Meetings - Joint Secretariat Documents and
Staff Attendance and Hotel Reservation Form

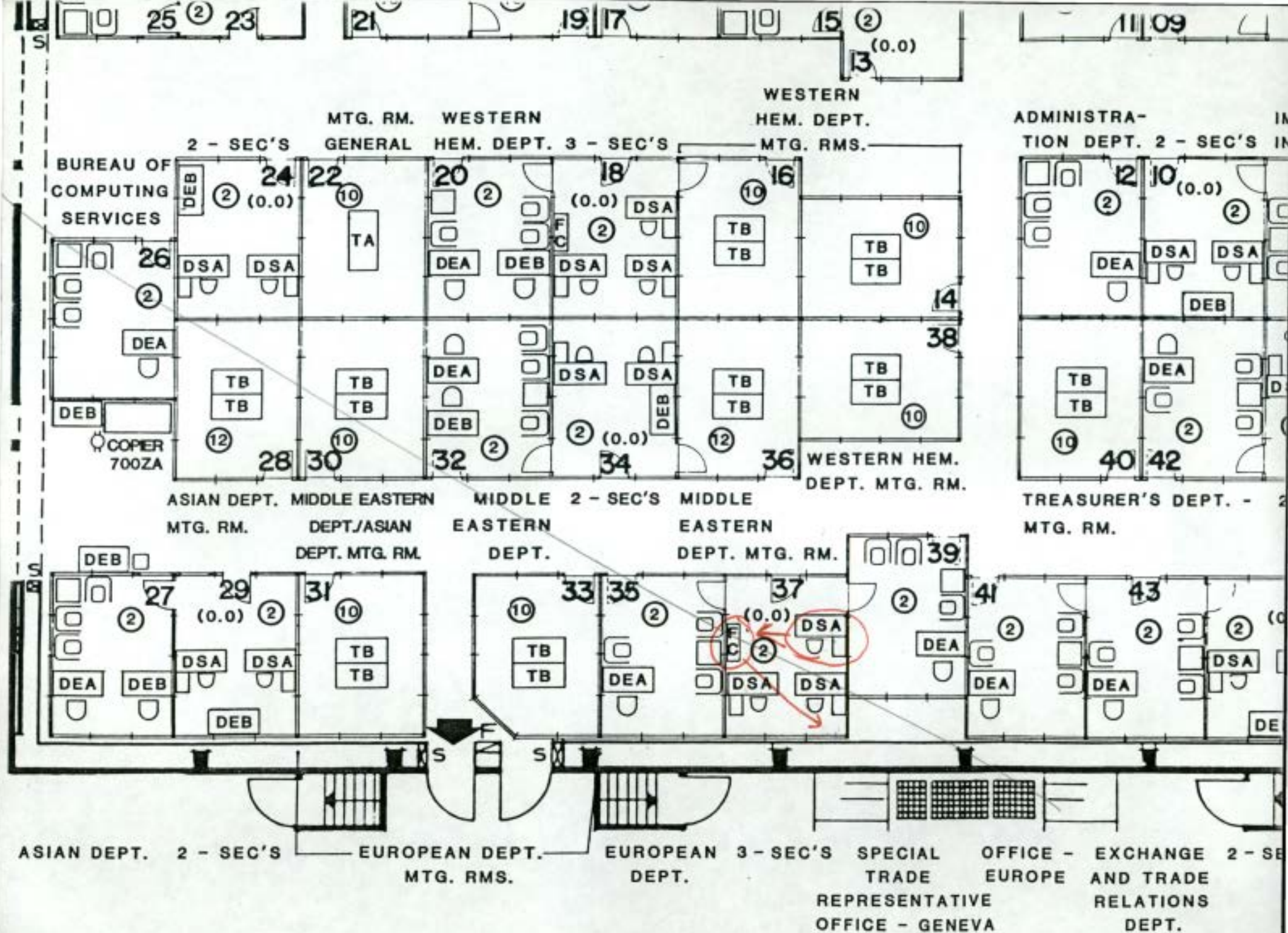
Attached are Joint Secretariat Document Nos. 5, 7 and Sup. 1, 9, 10, and the staff attendance and hotel reservation form for the information and use of staff assigned to the annual meetings.

h 7/6

Att: (6)

EUR
Hall 10.2, Room 37

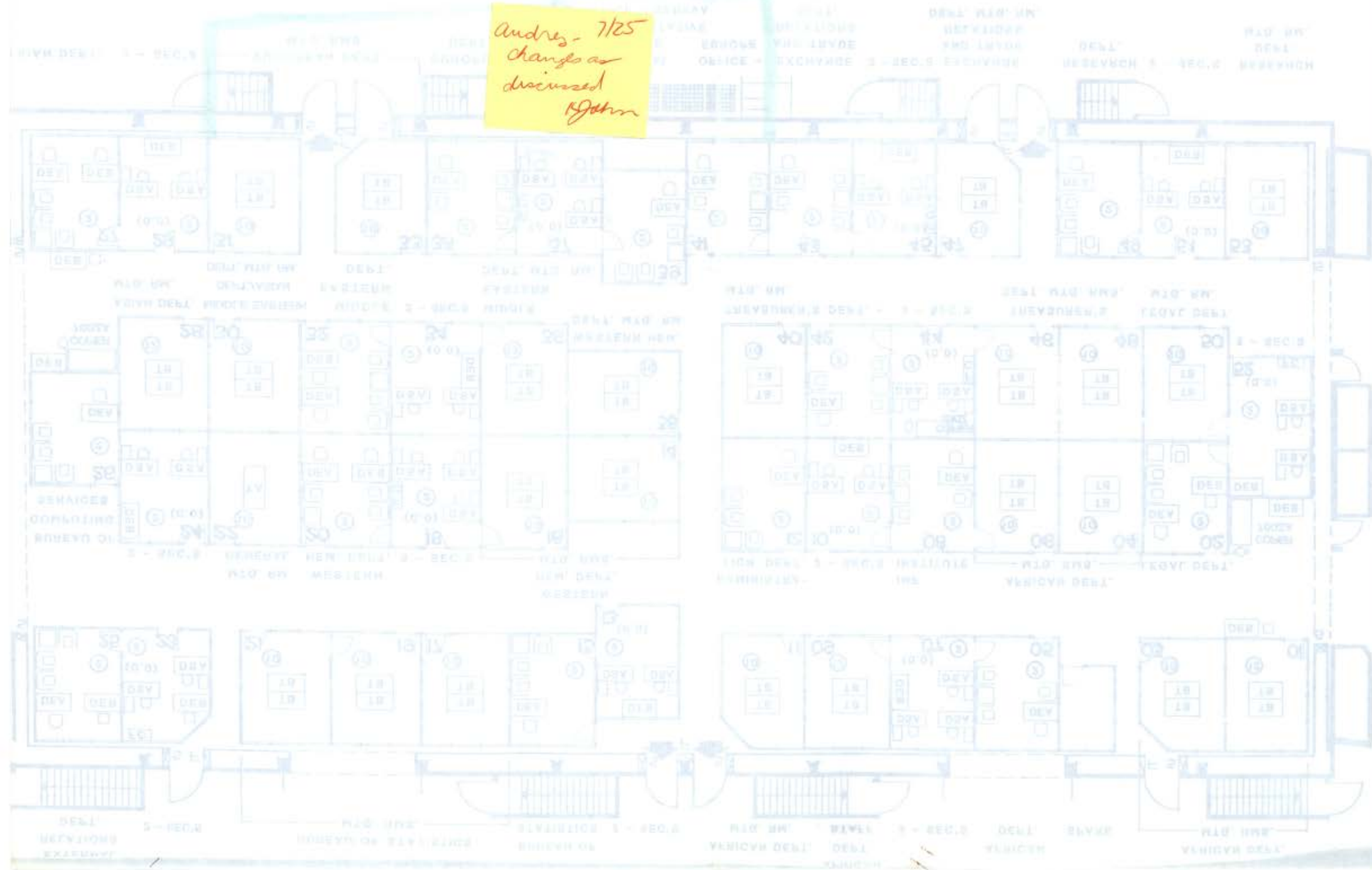




11:24

[illegible]

Andres - 7/25
changes as
discussed
John





Office Memorandum

RECEIVED

1988 JUL -7 PM 5:00

TO: The Managing Director
The Deputy Managing Director

July 7, 1988

FROM: A. F. Mohammed

SUBJECT: Reply to Mr. Vanderveken, ICFTU

Attached is a draft reply to a letter you received from Mr. John Vanderveken, General Secretary of the International Confederation of Free Trade Unions, requesting an opportunity for a small group of ICFTU officials headed by Mr. Vanderveken and Mr. Ernst Breit, Chairman of the DGB (major German trade union) to meet with you in Berlin on the morning of September 22 or 23. That will be a very busy period for you, but Mr. Hartmann believes a meeting with prominent German trade unionists would make a positive public impression in Germany, especially if Mr. Breit were to be accompanied by Mr. Franz Steinkuehler of IG-Metall and Mr. Berthold Keller of IG-Textil, Bekleidung. We have already suggested to the staff of ICFTU that they inquire whether these gentlemen would wish to be included in the group, but without committing you to the meeting. The draft reply is intended to reinforce that suggestion while indicating that you are receptive in principle to such a meeting.

Attachment

cc: Mr. Whittome
Mr. Van Houtven
Mr. Russo
Mr. H. Simpson



MANAGING DIRECTOR

INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

CABLE ADDRESS
INTERFUND

Dear Mr. Vanderveken:

Thank you for your letter of June 13 suggesting a meeting with a small group of ICFTU leaders, including Mr. Ernest Breit, Chairman of the DGB, and yourself, on the morning of September 22 or 23. The dates proposed are certain to be extremely busy ones; much of my time will perforce be taken up with meetings with officials of member governments. However, I would like very much to have a private meeting of the sort you have suggested, if we can work out the arrangements.

I believe your office has already contacted Mr. Mohammed and others in the External Relations Department. Let us continue to keep in touch through our offices and we will see what can be done.

Sincerely,

M. Camdessus

Mr. John Vanderveken
General Secretary
International Confederation of Free
Trade Unions
rue Montagne aux Herbes
Potageres 37-41
1000 Brussels
Belgium



ICFTU international confederation of free trade unions 004010
 C I S L confédération internationale des syndicats libres
 I B F G internationaler bund freier gewerkschaften
 C I O S L confederación internacional de organizaciones sindicales libres

RUE MONTAGNE AUX HERBES POTAGERES 37-41 — 1000 BRUXELLES — BELGIQUE
 ☎ 02 217 80 85 — TELEFAX 216 84 15 — TELEGR. INTERCONFED BRUXELLES — TELEX 26785 ICFTU BRU

P.P. NARAYANAN
 President - Président
 Präsident - Presidente

JOHN VANDERVEKEN
 General Secretary - Secrétaire général
 Generalsekretär - Secretario General



13 June 1988

Mr. Michel Camdessus
 Managing Director
 International Monetary
 Fund
 10th & H Streets, N.W.
 WASHINGTON, D.C. 20431
 USA

Dear Mr. Camdessus,

Meeting with ICFTU Delegation

Since we last met in July 1987 there have been a number of important developments in international economic relations which are of concern to the ICFTU. I am therefore writing to ask whether you would be prepared to meet a small delegation of the ICFTU, led by myself and Ernst Breit, Chairman of the DGB, on the occasion of the IMF/World Bank Annual Meetings in Berlin. We would envisage a meeting perhaps on the morning of September 22 or 23.

I enclose with this letter a copy of a statement adopted by the 14th World Congress of the ICFTU which was held in Melbourne from 14-18 March this year on International Cooperation for Development, Employment and an End to Poverty. It will form the basis of the issues we would wish to raise with you. Also enclosed is a copy of a trade union statement submitted recently to the OECD Ministerial Council and the governments attending the Toronto Summit. A further specific point of interest to us is the IMF's response to the conclusions of the November 1987 ILO High-Level Meeting on Employment and Structural Adjustment.

I am also writing to the President of the World Bank, Mr. Conable, with a similar request for a meeting. In view of the widespread interest in Germany created by the holding of the Annual Meetings in Berlin, I think it would be most useful for the ICFTU, together with our German affiliate, the DGB, to have the opportunity of a discussion with you on this occasion. I hope it will be possible for us to find a mutually convenient time.

Yours sincerely,

General Secretary

RECEIVED
 INTERNATIONAL
 MONETARY FUND
 JUN 21 AM 8 06
 COMMUNICATIONS
 DIVISION

All communications should be addressed to the General Secretary — Toute la correspondance doit être adressée au Secrétaire général
 Der gesamte Briefwechsel ist an den Generalsekretär zu richten — Toda la correspondencia debe dirigirse al Secretario General

INTERNATIONAL COOPERATION FOR DEVELOPMENT, EMPLOYMENT
AND AN END TO POVERTY

1. For nearly ten years the world economy has stagnated causing the slowing down and reversal of development, high unemployment and increased poverty. Workers in all countries have borne the brunt of a continuing crisis of global dimensions. Since the crisis began most industrialized country governments have maintained that recovery lay just around the corner, that cutting inflation and restoring profit margins was a sufficient basis for growth to resume automatically, and for unemployment to fall. While profits have in many cases increased and inflation fears receded, growth remains low, the level of unemployment high, the debt crisis continues and financial markets are disturbed and uncertain. In an ever more interdependent world, strong joint government actions through international cooperation for development, employment and an end to poverty are essential. A crucial element in this are measures to bring the world economy on to a vigorous growth path which would help to restore the industrial base of many industrial countries, and release the vast potential markets for goods and services in the developing world. The contribution of developing countries to world economic expansion must be activated by an ample flow of resources enabling them to accelerate their economic and social development and import the whole range of goods necessary to their growth. Resumed growth in industrialized countries depends fundamentally on faster growth in developing countries and vice versa.

2. International cooperation to improve the world's economic prospects must be based on the following principles:

- commitment to working for full employment, equality of opportunity between men and women, and an end to poverty worldwide;
- specific policies to ensure a fair sharing of the costs and benefits of economic change within as well as between nations;
- recognition of the responsibility of governments both individually and collectively for the establishment of a strong framework for the conduct of economic relations;
- acceptance by the major banks of the responsibility they bear for the build-up of developing countries' debts which continue to paralyze development, and of their commensurate obligation to contribute to the removal of the burden of debt by the re-scheduling, writing down and forgiveness of loans;
- recognition of the inter-relationship between economic and social development and respect for human rights notably through the involvement of free trade unions in decision-taking at all levels and implementation of the fundamental principles of freedom of association and the right to collective bargaining.

3. The priorities for immediate international action are:

- a resolution of the dangerous financial imbalances between the major industrial countries and the related problem of ever-increasing developing country debt;

- the creation of an international monetary system which would ensure more stable exchange rates, lower interest rates and reduced short-term speculative currency movements;
- a massive increase in the resources of the multilateral financial institutions so as to enable a new approach to the debt crisis to be implemented, involving substantial debt relief and the replacement of failed deflationary adjustment programmes by new policies based on conditions which enable adjustment through growth;
- a substantial expansion of aid budgets up to at least the UN target of 0.7 per cent of GNP and the channelling of new low interest investment funds into development projects and programmes designed to promote employment, the satisfaction of basic needs and an equitable process of economic transformation;
- an end to the attacks on the public sector which have characterized the experience of so many countries in the 1980s, and which through privatization and inequitable and socially damaging tax reforms have resulted in an increase in the income of the already wealthy at the same time as cutbacks in rights to social security benefits of the unemployed and the low paid;
- the creation of a system for the effective monitoring and coordination of international financial markets which would foster productive investment and protect working peoples' savings, prevent fraud and insider dealing, promote long-term productive investment and discourage speculation;
- the coordination of economic, fiscal and monetary policies so as to prevent damaging trade imbalances and capital flight, underpin stable exchange rates, enable the reduction of interest rates, ensure sustained non-inflationary growth in world output and so create the conditions for a steady reduction in unemployment and the alleviation of poverty;
- the promotion of an open world trading system which gives special preference to the needs of developing countries, furthers the improvement of working and social conditions in all countries, prevents unfair and damaging trading practices and contributes to a steady and sustained expansion of world production;
- the systematic mobilisation of large scale emergency assistance to the peoples of countries afflicted by disasters such as food shortages, floods or drought.

4. Building on a programme of action to reverse the dangerous slide towards a world depression, the ICFTU also calls for further measures and reforms to build a firm basis for international cooperation through the United Nations system and other international organizations. The main elements for improvement in the functioning of the institutions and mechanisms for development cooperation are:

- a sustained high level of official development assistance (aid) to at least the UN target of 0.7 per cent of GNP, including that channelled and coordinated through the World Bank, the United Nations Development Programme and other multilateral agencies, for programmes and projects planned in consultation with trade unions

and focused on the needs of working people for full, productive and freely chosen employment and the satisfaction of basic needs;

- a major increase in international support for training and education programmes in developing countries concentrating on raising the general level of education of working people, and particularly of unemployed and underemployed workers and their children in both the rural areas and on the margins of the urban economy, which takes account of the need to counteract discrimination on the grounds of race, sex, religion, ethnic or social origin;
- the implementation of a plan for large-scale infrastructure investment in housing, health care, clean water and sewage disposal systems, transport, energy and telecommunications;
- a large scale programme of support for rural development, based on the participation of rural workers through their own freely chosen organizations, aimed at increasing and diversifying food output through the use of improved low-cost production techniques, cheap credit, water and energy supply, more efficient storage, transport and marketing facilities, increased training, and recognition of the crucial role of women in food production;
- the promotion of investment through active government industrial policies;
- the encouragement of technology transfer to developing countries, based on a thorough assessment of the most appropriate technologies needed for the creation of a broad base of production and employment supplying both domestic needs and producing for export;
- the elaboration of an international plan for the environment and development, based on the principles contained in the Brundtland Report "Our Common Future", which will reverse the dangerous trends apparent in many countries towards deforestation, soil degradation, and water and air pollution;
- the implementation of an integrated programme on commodities with the objective of ensuring a stable and remunerative level of world prices including measures needed to eliminate the enormous gap between the price received by the producers and the price paid by final consumers;
- the coordination of investment and production plans for commodities to match anticipated changes in demand, the improvement of the living and working conditions of the workers in the supplying sectors, by among other measures the implementation of the guaranteed minimum income scheme adopted by the second United Nations Conference on Trade and Development, and the diversification of production towards higher value-added processing and support industries;
- a thorough reform of the conditions applied by international financial institutions so as to stimulate development strategies on the basis of growth, employment creation and the alleviation of poverty;

- implementation of the ILO Declaration of Principles on Multinational Enterprises and Social Policy, and the adoption of a United Nations Code of Conduct establishing a multilateral framework for the activities of transnational corporations and their relations with governments and trade unions;
- the introduction of a social clause in the General Agreement on Tariffs and Trade (GATT) and other trade and international agreements linking access to world markets to the observance of basic labour standards.

5. The ICFTU furthermore calls on the industrial countries to work out, in full consultation with trade unions, a concerted medium-term policy for the elimination of unemployment through internationally concerted policies for vigorous non-inflationary growth including:

- policies to increase the availability of investment capital and gear it to productive and employment creating uses;
- increased investment in the modernisation of the economic and social infrastructure, through for example the renewal of areas of urban or regional decay, the improvement of housing, the expansion of publicly funded education and training systems, the extension of the health and social services and the protection and restoration of the environment;
- the formation of labour market policies and services to assist those groups of workers, especially women and young people, who have been the hardest hit by unemployment, by providing vocational counselling and training and retraining opportunities;
- the progressive enlargement of market access to developing country exports together with the creation of employment and training opportunities for workers displaced by structural or technological change or imports, particularly in regions of high unemployment;
- the strengthening of social security systems to ensure that all workers, and especially the most disadvantaged, are guaranteed a decent living standard upon retirement, during unemployment (particularly when it is long-term), while changing employment or occupations, in periods of sickness or ill-health and while raising their children;
- the adaptation and broadening of tax systems to meet expenditure needs on the basis of a fair distribution of tax contributions according to personal income and wealth, the profitability of enterprises and the elimination of tax fraud;
- the negotiation of reductions in working time and other improvements of working conditions so as to maximise both the rate of job creation and improve working and living conditions as a whole.

6. To these ends the ICFTU and its regional organizations will:

- work to influence the main international institutions;

- develop mechanisms for the coordination of pressure on governments by affiliates;
 - continue support to the research and policy development activities of affiliates especially in developing countries;
 - prepare and publish analyses of current economic problems and the ICFTU's policy proposals;
 - campaign for the adoption of an urgent programme of increased international cooperation for development, employment and an end to poverty based on the principles and priorities set out in this statement.
-



THE INTERNATIONAL MONETARY FUND ARCHIVES RECORD CLOSURE NOTICE

The item identified below has been closed in accordance with the International Monetary Fund's IMF's Open Archives Policy (Decision No. 14498 – (09/126), adopted 2009-12-17 and effective 2010-03-17, as amended. This policy can be found on the International Monetary Fund website.

This record ☒ or file ☐ has been closed as it belongs to one of the following exemptions:

- ☐ Legal records and other material that are protected by attorney client privilege
- ☐ Personnel files, medical information, or other records containing personal information
- ☐ Records and proceedings of the Grievance Committee
- ☐ Records acquired by the Fund by Third Parties, including Member Countries, with security classifications of 'CONFIDENTIAL' or above. (Declassification can be requested)
- ☒ Other sensitive nature: BoG

Archival Ref No.:	593252
File Title & Dates:	Annual Meetings - Correspondence (Berlin), 1988
Fonds:	European Department Records, 1946-1994
Sous-fonds	European Department Immediate Office Records, 1946-1994
Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-06-24
TYPE	Letters
TO	Isabel S. Jones / Sylvie Durand-Jansiac / Hilda N.B. Newman
FROM	Sheila M. Pintoy
SUBJECT/TITLE	Assignment to the Joint Secretariat of the 1988 Annual Meetings
NO. OF PAGES	3
AUTHORITY	Board of Governors
LANGUAGE	English



Office Memorandum

1) To Mr. [unclear]
2) File

W

To: Mrs. S. Pintoy

From: Audrey D. Daniels *AD*

Subject: Assignment Dates--Berlin (West)

June 16, 1988

As requested, I give below the dates of arrival and departure in Berlin (West) of staff members of the European Department (excluding those assigned to the Joint Secretariat). These dates are based on the assumption that, as for regular mission travel, the assignment officially starts the day after arrival and finishes the day before departure.

	<u>Arrives Berlin (West)</u>	<u>Departs Berlin (West)</u>
Massimo Russo	September 22	September 30
Patrick de Fontenay	September 22	September 30
Manuel Guitián	September 22	September 30
Lynnette A. Girvan	September 21	September 30



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File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-06-14
TYPE	Memorandum
TO	Administrative Officers
FROM	Sheila M. Pintoy
SUBJECT/TITLE	Assignment Dates Berlin (West)
NO. OF PAGES	1
AUTHORITY	Board of Governors
LANGUAGE	English



Office Memorandum

TO: Mr. Russo

DATE: May 26, 1988

FROM: H. Struckmeyer

SUBJECT: Secretarial Staff to Annual Meetings

With reference to your memorandum of May 5, 1988, this is to inform you that the Deputy Managing Director has approved your request for secretarial staff to the Annual Meetings in Berlin. The dates of assignment as proposed by you have also been approved.

cc: Mr. Wolfe
Mr. Bielaski

INTERNATIONAL MONETARY FUND

5/20/88

Mr. Russo:

*NO Entertaining -
at least not in
banquet space*
Annual Meeting Entertaining

Mr. Van Houtven's office called (Ms. Hughes) to enquire whether you would want any reservations made in Berlin for entertaining purposes. The German authorities have asked for space reservations in the Conference Center (banqueting space, not commercial restaurants) to be in by the end of June. Also, Ms. Hughes will be going over on June 10, and if you wished any arrangements to be looked into, she would be glad to help.

JD In the past, we have never given a reception at an overseas meeting. There have been a few small lunches or dinners, which could be arranged at short notice. The logistics of giving a large reception overseas are difficult.

Audrey D. Daniels

Could we have your views, please?

AD

9-120

cc: PdeF
HSL ✓
For advice
on a possible
reply please

ORIG: EXR.

CC: MD

DMD

MR. GROSCHE

EUR

LEG

SEC

MR. THAHANE

MR. H. SIMPSON

003546

MR
this is for
LEG and EXR to
handle, I think, and
I hope they will simply
discard it.

1/3
5/16

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
MAY 13 1967

MAY 13 PM 3:47

COMMUNICATIONS
SECTION

RECEIVED
MAY 13 1967
FEDERAL BUREAU OF INVESTIGATION

PERMANENT PEOPLES' TRIBUNAL

Founder: LELIO BASSO

President:

FRANÇOIS RIGAUX (BELGIUM)

Vice-Presidents:

AMAR BENTOUMI (ALGERIA)

MAKOTO ODA (JAPAN)

ARMANDO URIBE (CHILE)

GEORGE WALD (USA)

† RUTH FIRST (SOUTH AFRICA)

former Vice-President

Secretary-General:

GIANNI TOGNONI (ITALY)

Mr. Michel Camdessus
Managing Director and Chairman of the Executive Board
International Monetary Fund
700, Nineteenth Street NW, Washington DC 20431
USA

Mr. Barber B. Conable
President of the International Bank for Reconstruction
and Development
1818, H. Street NW, Washington DC 20433
USA

Rome, April 28th, 1988

Dear Sirs,

Following the request of the American Association of Jurists, forwarded to us on January 30, 1988, the Presidency of this Tribunal has decided to call an ad hoc Session, where the overall policy and specific activities of the IMF and the WB will be examined and submitted to judgement with respect to possible violation of international law and of the rights of peoples.

The Session of the Permanent Peoples' Tribunal will be held in Berlin, September 26-29, 1988, according to the rules and procedures described in the Statutes of the Permanent Peoples' Tribunal which are enclosed, with the assured participation of many personalities and experts, and the official representation of the most important NGOs from the various continents.

You are invited to nominate your defense, and to choose the way to participate in the procedure.

We are available for any further information you may wish to receive.

Sincerely yours,

TRIBUNALE PERMANENTE DEI POPOLI
Via Dogana Vecchia, 5
00186 Roma
François Rigaux
President

TRIBUNALE PERMANENTE DEI POPOLI
Via Dogana Vecchia, 5
00186 Roma
Gianni Tognoni
Secretary General

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GIANNI TOGNONI (ITALY)

STATUTE OF THE PERMANENT PEOPLES' TRIBUNAL

Preamble

Whereas peoples are ever more exposed to flagrant and systematic violations of their fundamental rights caused by military regimes, usually of a dictatorial nature, assuming power, and the ever greater influence of neo-colonialist groups and structures over vast areas of the world, and of political ideologies and practices which despise or disregard the requirements and the rights of peoples;

Whereas these violations or rules essential to the International community, particularly the crimes of apartheid, genocide, the imperialist and neo-colonialist exploitation of peoples and minorities, the systematic oppression of peoples and other human groups, are perpetrated while the international community is unable to prevent effectively such crimes and violations or put an end to them;

Whereas in particular the organs of the organized international community, when they have successfully elaborated principles and rules proclaiming the fundamental rights of peoples, have not been in a position to put these rules into practice, nor to ensure their effectiveness by the application of adequate sanctions or the formalities for reparation of damages inflicted, in particular through international mechanisms able to guarantee respect by governments and transnational companies or other colonial or neo-colonial-groups;

Whereas it is equally necessary to analyze the economic, political and social causes of the crimes against peoples in relation to imperialism and neo-colonialism, as well as the consequences with regard to the violations of the rights of minorities and individuals;

Whereas until the progressive governments accept and set up international organisms, capable of bringing these phenomena to an end, it is up to enlightened political groups and advanced trade-unions, supported by world public opinion to create international structures to attract the attention of governments, political movements, trade-unions and world public opinion to the serious and systematic violations of the rights of peoples and, in connection with these violations, those of the rights of minorities and individuals, as well as to their economic, political and social causes.

The International Foundation for the Rights and Liberation of Peoples decides to create a Permanent International Peoples' Tribunal with the following Statute:

THE TRIBUNAL'S COMPETENCE AND FUNCTION

Article 1

The Tribunal's competence extends to serious and systematic violations of the rights of peoples, whether committed by States, by authorities other than States, or by private groups or organizations, also, if required, to the personal responsibility of their authors, according to the Nuremberg principles.

In particular, the Tribunal is competent to give judgements on any international crime, specifically on crimes against peace and humanity, any infringement of the fundamental rights of peoples and minorities, grave and systematic violations of the rights and freedoms of individuals, as stated in the legal sources indicated in Article 2.

The Tribunal is not competent to give judgements in cases of single violations of the rights of an individual, except when related to a violation of the law of peoples.

Article 2

The Tribunal's mission is to promote universal and effective respect for the fundamental rights of peoples by determining whether these rights have been violated, by examining the causes of such infringements, and by pointing out to world public opinion the authors of these violations.

The Tribunal applies the international principles of jus cogens as expression of the universal juridical conscience and in particular the Nuremberg principles, as well as the Convention for the prevention and repression of the crime of genocide; it adopts the Algiers Declaration on the fundamental rights of Peoples and applies the basic instruments of the United Nations, in particular the Universal Declaration and the International Covenants on Human Rights, the Declaration on Friendly Relations between States, the General Assembly resolutions on decolonization and the new international order, notably the Charter of the economic rights and duties of States.

The Tribunal also applies any other international, universal or regional instrument which aims at developing, making known and expanding the scope of texts which refer to the rights of peoples.

Article 3

Any government, any international governmental or non-governmental organization, any national liberation movement, political group, trade-union or group of people can present an application to the Tribunal regarding the violation of a fundamental right, as proclaimed in the legal instruments indicated in Article 2.

Article 4

The Tribunal can give advisory opinions on any question within its competence at the request of these same peoples and groups.

Article 5

The Presidency Committee of the Tribunal can proceed to investigate or study any international situation which leads to violations of the fundamental rights of peoples and minorities, or serious or systematic infringements of the rights and liberties of minorities and individuals.

COMPOSITION

Article 6

1. The Tribunal should be composed of not less than 30 or more than 75 members. These are nominated by the Council of the International Foundation for the Rights and Liberation of Peoples.
2. The members of the Tribunal as well as the Secretary-General must be held in the highest consideration and have the qualifications required for the exercise of the highest legal functions, or else be eminent scholars, jurists, political or religious personalities, of recognized integrity and competence.

Article 7

1. The members of the Tribunal are nominated for a period of three years. Their mandate can be renewed.
2. The members of the Tribunal can only be dismissed if they have ceased to fulfil one of the required conditions. The decision is taken by the Council of the Foundation with a majority of two thirds of the members present, on the advice of the members of the Tribunal. A decision to dismiss a member of the Tribunal can only be taken by a majority of two thirds of the members present or represented.
3. The members of the Tribunal elect a President and two vice-presidents for three years, who constitute the Tribunal's Presidency Committee.

Article 8

1. The Presidency Committee nominates 11 judges for every session of the Tribunal relative to a case or group of cases, who will sit to judge the case or cases presented to the Tribunal.
2. The judges sitting for a specific session elect the session's President.

Article 9

When the Tribunal is overloaded, and only in urgent cases, the Presidency Committee can constitute one or more chambers, each consisting of seven judges, to examine particular groups of cases.

PROCEDURE

Article 10

1. A Secretariat will be set up for the Tribunal, to be administered by a Secretary-General and a Vice-Secretary-General, assisted by three Assistant Secretaries-General, nominated by the Foundation Council, at the suggestion of the Tribunal. The members of the Secretariat must be people of recognized integrity and attested competence.

2. The Secretariat can request the opinion of any experts it chooses to call.

Article 11

In particular the General Secretariat carries out the following functions:

1. registers all requests addressed to the Tribunal,
2. reports to the Presidency Committee on any registered requests, in particular on the facts alleged in each request and the international instruments referred to.

Article 12

In view of the report made by the Secretariat and the elements which it has brought together, the Presidency Committee decides whether to file and dispose of the request or whether to submit it to the Tribunal. In this last case it nominates one or more reporters who need not necessarily be members of the Tribunal. The reporter or reporters proceed, with the assistance of the Secretariat, to the documentation of the case, with the following tasks:

- to bring together all elements of proof for and against, summoning witnesses
- to be at the disposal of the Tribunal to facilitate the verification and evaluation of the authenticity and veracity of the facts and proofs
- to enlighten the Tribunal on the applicable legal norms

Every decision to file and dispose a request is communicated to the members of the Tribunal who can, should any new element arise, ask that the case be reconsidered. This faculty can only be exercised once.

Article 13

The Presidency Committee prepares each year an annual report for the Council of the Foundation in which it lists all the cases submitted to it, giving the reasons for which these have been declared admissible or not, or manifestly unfounded, or have been filed and disposed of.

Article 14

As soon as a request has been declared admissible the Presidency Committee tries to obtain the co-operation of the government, authority or private group being accused, and gives these ample possibility for submitting proofs and evidence.

Article 15

Any government, authority or private group which is being accused will be informed of the complaints or requests brought against it as soon as they have been declared admissible by the Presidency Committee, or a decision been made to bring an action against it. Participation will be possible at every stage of the proceedings. Even if there were a refusal to recognize the Tribunal's competence every relevant act of the trial will be duly communicated.

Article 16

The Presidency Committee can nominate either a member of the Tribunal or someone from outside to be a special reporter, in charge of bringing together any information, proof or documentary evidence which can be advanced in favour of the accused Party, if this Party has decided not to participate in the debate.

This special reporter will take part in the debates and, in an advisory capacity, in the deliberation concerning the case.

Article 17

1. If the Tribunal considers it will be useful to the cause of promoting respect for the fundamental rights of peoples, minorities and individuals it can put itself at the disposal of the interested parties with the aim of reaching an agreement on the question.

2. If the Tribunal is successful in obtaining a settlement acceptable to the interested parties, inspired by respect for the relevant international instruments, it should prepare a report giving a brief account of the facts and the solution adopted.

3. The Tribunal decides what action should follow the report, with the aim of promoting respect for the fundamental rights of peoples, minorities and individuals.

Article 18

The sessions of the Tribunal and the sittings of the Court are public. The deliberations of the Tribunal are held in the deliberation room. Members of the Tribunal nominated as reporters cannot participate in deliberations concerning the cases which they have investigated.

Article 19

The Tribunal is validly composed with a quorum of 7 members in the cases set out in Article 8, and of 5 members in those cases set out in Article 9.

The decisions and advisory opinions are given with an absolute majority of the members present. Should there be no majority, the vote of the President of the Session or of the Chamber will be decisive.

No member of the Tribunal can be represented, not even by another member of the Tribunal. In so far as the clauses set out in Article 7, paragraphs 2 and 3, and Article 10, paragraph 1, are concerned members of the Tribunal can be represented by another member. No member can hold more than one proxy.

Article 20

The Tribunal's judgements are definitive. These and the other decisions of the Tribunal will be communicated to the interested parties, to the Secretary-General of the United Nations, to other interested international organizations, to Governments and the Press.

Article 21

The Tribunal will establish rules to determine its method of work and procedure.

Article 22

The seat of the Tribunal is in Rome. The Tribunal can sit and exercise its functions anywhere.

Article 23 - Any proposal to modify the Statutes should be addressed to the Presidency Committee. If the proposal is made by ten members of the Tribunal it will be transmitted, with the approval of the Presidency Committee and after the Council of the International Foundation for the Rights and Liberation of Peoples has agreed to it, to all members of the Tribunal.

9-120

cc: PdeF ✓

HS

For advice
on a possible
reply please

ORIG: EXR.

CC: MD

DMD

MR. GROSCHKE

EUR

LEG

SEC

MR. THAHANE

MR. H. SIMPSON

003546

*This should be handled by EXR & LEG.
I don't see how we can contribute any thing
1..*

RECEIVED
COMMUNICATIONS
SECTION
MAY 13 1964

MAY 13 PM 3:47

COMMUNICATIONS
SECTION

RECEIVED
MAY 13 1964
COMMUNICATIONS
SECTION

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President:

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Managing Director and Chairman of the Executive Board
International Monetary Fund
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1818, H. Street NW, Washington DC 20433
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AMAR BENTOUMI (ALGERIA)

MAKOTO ODA (JAPAN)

Rome, April 28th, 1988

ARMANDO URIBE (CHILE)

Dear Sirs,

GEORGE WALD (USA)

+ RUTH FIRST (SOUTH AFRICA)

former Vice-President

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The Session of the Permanent Peoples' Tribunal will be held in Berlin, September 26-29, 1988, according to the rules and procedures described in the Statutes of the Permanent Peoples' Tribunal which are enclosed, with the assured participation of many personalities and experts, and the official representation of the most important NGOs from the various continents.

You are invited to nominate your defense, and to choose the way to participate in the procedure.

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Sincerely yours,

TRIBUNALE PERMANENTE DEI POPOLI

Via Dogana Vecchia, 3

00186 Roma
François Rigaux
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00186 Roma
Gianni Tognoni
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The decisions and advisory opinions are given with an absolute majority of the members present. Should there be no majority, the vote of the President of the Session or of the Chamber will be decisive.

No member of the Tribunal can be represented, not even by another member of the Tribunal. In so far as the clauses set out in Article 7, paragraphs 2 and 3, and Article 10, paragraph 1, are concerned members of the Tribunal can be represented by another member. No member can hold more than one proxy.

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9-120

cc: PdeF
HS

For advice
on a possible
reply please

ORIG: EXR

CC: MD

DMD

MR. GROSCHE

EUR

LEG

SEC

MR. THAHANE

MR. H. SIMPSON

003546

RECEIVED
INTERNATIONAL
MONETARY FUND

1993 MAY 13 PM 3:47

COMMUNICATIONS
DIVISION

RECEIVED
1993 MAY 16 AM 11:29
EUROPEAN DEPARTMENT

PERMANENT PEOPLES' TRIBUNAL

Founder: LELIO BASSO

President:

Mr. Michel Camdessus
Managing Director and Chairman of the Executive Board
International Monetary Fund
700, Nineteenth Street NW, Washington DC 20431
USA

FRANÇOIS RIGAUX (BELGIUM)

Vice-Presidents:

Mr. Barber B. Conable
President of the International Bank for Reconstruction
and Development
1818, H. Street NW, Washington DC 20433
USA

AMAR BENTOUMI (ALGERIA)

MAKOTO ODA (JAPAN)

Rome, April 28th, 1988

ARMANDO URIBE (CHILE)

Dear Sirs,

GEORGE WALD (USA)

9 RUTH FIRST (SOUTH AFRICA)
former Vice-President

Following the request of the American Association of Jurists, forwarded to us on January 30, 1988, the Presidency of this Tribunal has decided to call an ad hoc Session, where the overall policy and specific activities of the IMF and the WB will be examined and submitted to judgement with respect to possible violation of international law and of the rights of peoples.

Secretary-General:

GIANNI TOGNONI (ITALY)

The Session of the Permanent Peoples' Tribunal will be held in Berlin, September 26-29, 1988, according to the rules and procedures described in the Statutes of the Permanent Peoples' Tribunal which are enclosed, with the assured participation of many personalities and experts, and the official representation of the most important NGOs from the various continents.

You are invited to nominate your defense, and to choose the way to participate in the procedure.

We are available for any further information you may wish to receive.

Sincerely yours,

TRIBUNALE PERMANENTE DEI POPOLI

Via Dogana Vecchia, 5

00186 Roma

François Rigaux
President

TRIBUNALE PERMANENTE DEI POPOLI

Via Dogana Vecchia, 5

00186 Roma

Gianni Tognoni
Secretary General

PERMANENT PEOPLES' TRIBUNAL

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ARMANDO URIBE (CHILE)

GEORGE WALD (USA)

† RUTH FIRST (SOUTH AFRICA)

former Vice-President

Secretary-General:

GIANNI TOGNONI (ITALY)

STATUTE OF THE PERMANENT PEOPLES' TRIBUNAL

Preamble

Whereas peoples are ever more exposed to flagrant and systematic violations of their fundamental rights caused by military regimes, usually of a dictatorial nature, assuming power, and the ever greater influence of neo-colonialist groups and structures over vast areas of the world, and of political ideologies and practices which despise or disregard the requirements and the rights of peoples;

Whereas these violations of rules essential to the International community, particularly the crimes of apartheid, genocide, the imperialist and neo-colonialist exploitation of peoples and minorities, the systematic oppression of peoples and other human groups, are perpetrated while the international community is unable to prevent effectively such crimes and violations or put an end to them;

Whereas in particular the organs of the organized international community, when they have successfully elaborated principles and rules proclaiming the fundamental rights of peoples, have not been in a position to put these rules into practice, nor to ensure their effectiveness by the application of adequate sanctions or the formalities for reparation of damages inflicted, in particular through international mechanisms able to guarantee respect by governments and transnational companies or other colonial or neo-colonial-groups;

Whereas it is equally necessary to analyze the economic, political and social causes of the crimes against peoples in relation to imperialism and neo-colonialism, as well as the consequences with regard to the violations of the rights of minorities and individuals;

Whereas until the progressive governments accept and set up international organisms, capable of bringing these phenomena to an end, it is up to enlightened political groups and advanced trade-unions, supported by world public opinion to create international structures to attract the attention of governments, political movements, trade-unions and world public opinion to the serious and systematic violations of the rights of peoples and, in connection with these violations, those of the rights of minorities and individuals, as well as to their economic, political and social causes,

The International Foundation for the Rights and Liberation of Peoples decides to create a Permanent International Peoples' Tribunal with the following Statute:

THE TRIBUNAL'S COMPETENCE AND FUNCTION

Article 1

The Tribunal's competence extends to serious and systematic violations of the rights of peoples, whether committed by States, by authorities other than States, or by private groups or organizations, also, if required, to the personal responsibility of their authors, according to the Nuremberg principles.

In particular, the Tribunal is competent to give judgements on any international crime, specifically on crimes against peace and humanity, any infringement of the fundamental rights of peoples and minorities, grave and systematic violations of the rights and freedoms of individuals, as stated in the legal sources indicated in Article 2.

The Tribunal is not competent to give judgements in cases of single violations of the rights of an individual, except when related to a violation of the law of peoples.

Article 2

The Tribunal's mission is to promote universal and effective respect for the fundamental rights of peoples by determining whether these rights have been violated, by examining the causes of such infringements, and by pointing out to world public opinion the authors of these violations.

The Tribunal applies the international principles of jus cogens as expression of the universal juridical conscience and in particular the Nuremberg principles, as well as the Convention for the prevention and repression of the crime of genocide; it adopts the Algiers Declaration on the fundamental rights of Peoples and applies the basic instruments of the United Nations, in particular the Universal Declaration and the International Covenants on Human Rights, the Declaration on Friendly Relations between States, the General Assembly resolutions on decolonization and the new international order, notably the Charter of the economic rights and duties of States.

The Tribunal also applies any other international, universal or regional instrument which aims at developing, making known and expanding the scope of texts which refer to the rights of peoples.

Article 3

Any government, any international governmental or non-governmental organization, any national liberation movement, political group, trade-union or group of people can present an application to the Tribunal regarding the violation of a fundamental right, as proclaimed in the legal instruments indicated in Article 2.

Article 4

The Tribunal can give advisory opinions on any question within its competence at the request of these same peoples and groups.

Article 5

The Presidency Committee of the Tribunal can proceed to investigate or study any international situation which leads to violations of the fundamental rights of peoples and minorities, or serious or systematic infringements of the rights and liberties of minorities and individuals.

COMPOSITION

Article 6

1. The Tribunal should be composed of not less than 30 or more than 75 members. These are nominated by the Council of the International Foundation for the Rights and Liberation of Peoples.

2. The members of the Tribunal as well as the Secretary-General must be held in the highest consideration and have the qualifications required for the exercise of the highest legal functions, or else be eminent scholars, jurists, political or religious personalities, of recognized integrity and competence.

Article 7

1. The members of the Tribunal are nominated for a period of three years. Their mandate can be renewed.

2. The members of the Tribunal can only be dismissed if they have ceased to fulfil one of the required conditions. The decision is taken by the Council of the Foundation with a majority of two thirds of the members present, on the advice of the members of the Tribunal. A decision to dismiss a member of the Tribunal can only be taken by a majority of two thirds of the members present or represented.

3. The members of the Tribunal elect a President and two vice-presidents for three years, who constitute the Tribunal's Presidency Committee.

Article 8

1. The Presidency Committee nominates 11 judges for every session of the Tribunal relative to a case or group of cases, who will sit to judge the case or cases presented to the Tribunal.

2. The judges sitting for a specific session elect the session's President.

Article 9

When the Tribunal is overloaded, and only in urgent cases, the Presidency Committee can constitute one or more chambers, each consisting of seven judges, to examine particular groups of cases.

PROCEDURE

Article 10

1. A Secretariat will be set up for the Tribunal, to be administered by a Secretary-General and a Vice-Secretary-General, assisted by three Assistant Secretaries-General, nominated by the Foundation Council, at the suggestion of the Tribunal. The members of the Secretariat must be people of recognized integrity and attested competence.

2. The Secretariat can request the opinion of any experts it chooses to call.

Article 11

In particular the General Secretariat carries out the following functions:

1. registers all requests addressed to the Tribunal,
2. reports to the Presidency Committee on any registered requests, in particular on the facts alleged in each request and the international instruments referred to.

Article 12

In view of the report made by the Secretariat and the elements which it has brought together, the Presidency Committee decides whether to file and dispose of the request or whether to submit it to the Tribunal. In this last case it nominates one or more reporters who need not necessarily be members of the Tribunal. The reporter or reporters proceed, with the assistance of the Secretariat, to the documentation of the case, with the following tasks:

- to bring together all elements of proof for and against, summoning witnesses
- to be at the disposal of the Tribunal to facilitate the verification and evaluation of the authenticity and veracity of the facts and proofs
- to enlighten the Tribunal on the applicable legal norms

Every decision to file and dispose a request is communicated to the members of the Tribunal who can, should any new element arise, ask that the case be reconsidered. This faculty can only be exercised once.

Article 13

The Presidency Committee prepares each year an annual report for the Council of the Foundation in which it lists all the cases submitted to it, giving the reasons for which these have been declared admissible or not, or manifestly unfounded, or have been filed and disposed of.

Article 14

As soon as a request has been declared admissible the Presidency Committee tries to obtain the co-operation of the government, authority or private group being accused, and gives these ample possibility for submitting proofs and evidence.

Article 15

Any government, authority or private group which is being accused will be informed of the complaints or requests brought against it as soon as they have been declared admissible by the Presidency Committee, or a decision been made to bring an action against it. Participation will be possible at every stage of the proceedings. Even if there were a refusal to recognize the Tribunal's competence every relevant act of the trial will be duly communicated.

Article 16

The Presidency Committee can nominate either a member of the Tribunal or someone from outside to be a special reporter, in charge of bringing together any information, proof or documentary evidence which can be advanced in favour of the accused Party, if this Party has decided not to participate in the debate.

This special reporter will take part in the debates and, in an advisory capacity, in the deliberation concerning the case.

Article 17

1. If the Tribunal considers it will be useful to the cause of promoting respect for the fundamental rights of peoples, minorities and individuals it can put itself at the disposal of the interested parties with the aim of reaching an agreement on the question.

2. If the Tribunal is successful in obtaining a settlement acceptable to the interested parties, inspired by respect for the relevant international instruments, it should prepare a report giving a brief account of the facts and the solution adopted.

3. The Tribunal decides what action should follow the report, with the aim of promoting respect for the fundamental rights of peoples, minorities and individuals.

Article 18

The sessions of the Tribunal and the sittings of the Court are public. The deliberations of the Tribunal are held in the deliberation room. Members of the Tribunal nominated as reporters cannot participate in deliberations concerning the cases which they have investigated.

Article 19

The Tribunal is validly composed with a quorum of 7 members in the cases set out in Article 8, and of 5 members in those cases set out in Article 9.

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Office Memorandum

Twater

TO : Mr. Kyritsopoulos

DATE: May 5, 1988

FROM : Audrey D. Daniels *AD*

SUBJECT : Annual Meetings (Berlin) Office Arrangements

This is to confirm our telephone conversation. We would appreciate it if you would arrange for a second desk to be placed in Mr. Russo's office to accommodate other members of the European Department staff assigned to the meetings. Also, as in previous years, we would like to have a four-drawer lockable filing cabinet placed in the European Department's secretarial office (Mrs. Girvan, secretary).

cc: Mrs. Girvan

Mrs. Westcott

May 5, 1988

Audrey D. Daniels

Annual Meetings (Berlin) Telephone Arrangements

Would you please arrange for Mr. Russo's telephone to ring on Mrs. Girvan's desk, as well as being picked up on the other two secretarial desks. Mrs. Girvan's desk will be the one immediately outside Mr. Russo's office.

cc: Mrs. Girvan

INFORMATION COPY



Office Memorandum

To: Mrs. Sheila Pintoy

May 5, 1988

From: Massimo Russo

A handwritten signature, likely of Massimo Russo, is written over the name.

Subject: Secretarial Assignments--1988 Annual Meetings

Would you please arrange for additional local secretarial help for the European Department for the period, Friday, September 23 through Thursday, September 29.



Office Memorandum

To: The Director of Administration

May 5, 1988

From: Massimo Russo *MR*

Subject: Secretarial Assignments--1988 Annual Meetings

In reply to your memorandum of April 26 I would like to assign Mrs. Lynnette A. Girvan to be the European Department secretary during the forthcoming Annual Meeting in Berlin. Her period of duty will be either Wednesday, September 21 or Thursday, September 22 (depending on the official dates of the senior staff) through Thursday, September 29. This will allow her one day to set up the office before our arrival.

We will contact Mrs. Pintoy separately about additional local secretarial help.

5/12/88

Spoke to Mr. Rea's secy. Lynne can
arrive the day before for "backup duty" date,
in order to set up the office
as.



Office Memorandum

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May 5, 1988

From: Massimo Russo *MR*

Subject: Secretarial Assignments--1988 Annual Meetings

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We will contact Mrs. Pintoy separately about additional local secretarial help.

As of 5/20/88:

*LG departs 9/20 arrives 9/21
official duty date 9/22*

*MR departs 9/21 arrives 9/22
official duty date 9/23*



Office Memorandum

TO: Heads of Departments, Bureaus,
and Offices

DATE: May 4, 1988

FROM: Deputy Director of Administration *HL*

SUBJECT: 1988 Annual Meetings - Staff Attendance

I am attaching for your information a table showing the number of senior staff that have been approved by the Deputy Managing Director to attend the Annual Meetings in Berlin (West) later this year. I would be grateful if those departments who need to substitute staff with those approved on the list will advise me of the names of those staff who will be attending the meetings.

Attachment

RECEIVED
1988 MAY -4 PM 5:24
EUROPEAN DEPARTMENT

Senior Staff Attendance at 1988 Annual Meetings in Berlin

Unit of Organization	Approved Number <u>1/</u>	Staff Members
OMD		
Imm. Office	1	Simpson
GEN	2	Wiesner, Barnouin
PAR	2	Beith, replacement of van Houten
ADM	2	Rea, Struckmeyer
AFR	7 + 1	Ouattara, Gondwe, Bornemann, Calamitsis, Williams, Artus, Dhonte (+ Kuhn)
ASD	4	Narvekar, Neiss, Scott, Tilakaratna
CBD	4	Zulu, Koenig, Downes, Gautier
EUR	3	Russo, de Fontenay, Guitian
ETR	5	Whittome, Boorman, Junz, Brau, Kanesa-Thasan
EXR	7 + 4	Mohammed, Gardner, Bhatia, Hole, Armour, Hartmann, Mountford (+ Newman, Puentes, Abushadi, Young)
FAD	5	Tanzi, Tait, Ter-Minassian, Muten, Conrad
INS	3	Teyssier, Lanyi, Makalou
LEG	4	Gianviti, Holder, Munzberg, Liuksila
MED	3	Shaalan, Chabrier, Hitti
RES	5	Frenkel, Crockett, Goldstein, Hernandez-Cata, Kaibni
SEC	4	Van Houtven, Lang, Brachet, Bhagwat
TRE	4	Laske, Williams, Leddy, Wittich
WHD	8	Beza, Caiola, Ferran, Bonangelino, Loser, Hardy, Elson, Reichmann
BCS	1	Minami
BLS	-	<u>2/</u>
STA	4	Dannemann, McLenaghan, Brimble, Patel
Total	78 + 5	

1/ Excludes the MD and DMD. The numbers after the plus sign represent professional staff at Grade A13/A14 attending the Annual Meetings.

2/ Messrs. Wright and Delannoy to participate for account of Joint Secretariat.



Office Memorandum

M. Russo

TO: The Deputy Managing Director

May 3, 1988

FROM: A. F. Mohammed

SUBJECT: Leaflet on Misconceptions about the IMF

This material was prepared in response to the desire of the German authorities for answers to the most frequent criticisms of the Fund; the German Press and Information Service are having it translated for wide dissemination ahead of the Berlin meetings.

We are planning to distribute the material in English as well.

Attachment

cc: Heads of Departments, Bureaus, and Offices
Mr. Simpson

RECEIVED

1988 MAY -3 PM 5:24

EUROPEAN DEPARTMENT

Ten Common Misconceptions about the IMF

Prepared by the
External Relations Department
May 1988

Contents

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Preface

The IMF is a permanent forum for collaboration on international monetary issues among its 151 member countries. Its basic objectives are to encourage balanced trade, and, through its expansion, to stimulate employment and real incomes; to help countries balance their external payments; and to foster liberal trade and payments arrangements.

As an institution, the Fund is effective because of its ability to adapt while remaining faithful to these objectives. The international monetary environment is constantly in flux. Since the Fund was established in 1946, the size and complexity of trade and payments flows have grown enormously, procedures and institutions have evolved, and the nature of the problems of individual countries has changed, requiring different approaches and new solutions.

But solutions are not simple; nor can they be universally applicable or effective across the years. The members of the Fund can handle their problems best if they work in cooperative ways and the Fund serves as an instrument of that cooperation. Not everyone agrees with the approaches provided by Fund-supported policies and programs, and the proposed solutions do not always work. An open debate on economic adjustment issues is, therefore, an important part of understanding why problems arise and what can be done about them. This Leaflet is offered as a contribution to such a debate. It seeks to allay some common misconceptions that are held about the Fund.

1. The Fund applies identical remedies,
irrespective of a country's circumstances

There can be no standard remedy to external payments problems, because the causes of payments problems, as well as the impact of measures to deal with them, vary. It is for this reason that the Fund can only work on a country-by-country basis and must tailor its policy recommendations accordingly. Fund-supported programs encompass a wide range of policy measures. Some programs, for example, will provide for a currency devaluation, but many will not; some will call for tax reform, while others will not; yet others may include measures to reform public enterprises, or to limit the degree of wage indexation.

Furthermore, the range of facilities that the Fund has created reflect its recognition of the need to meet the different situations facing its members. Whereas many Fund-supported programs deal with short-term external payments problems, special facilities have been created to cope with the effects of a temporary downturn in commodity export prices.

Nevertheless, there are certain similarities among programs, and for two good reasons. The first is that there are common elements in the problems of many countries that come to the Fund. Most of them have serious external payments difficulties that can be traced to excess spending by the government, and often this is accompanied by entrenched inflation. Further, inappropriate economic policies often lead to an unrealistic and overvalued exchange rate for the currency, which in turn makes imports cheap, exports uncompetitive, and slows growth. A first

step in dealing with situations of this type usually means controlling government spending and assessing exchange rate policy. The second reason for a certain similarity among Fund-supported programs is that the members themselves have directed the Fund to use a few key economic indicators to monitor programs. The rationale for this is partly to ensure uniformity of treatment and to avoid detailed regulation of the economy, but it is also partly to be practical--the indicators in question are often the only ones for which there is relatively reliable and timely information in all countries. Also, it may be noted that delay in approaching the Fund tends to limit the available policy options.

The misconception that the Fund applies identical remedies may have arisen because the overall thrust of Fund-supported programs does indeed reflect a similar concept about the best way for a country to re-establish a sustainable payments situation. This concept reflects the principles of the Fund's Articles, which support liberal trade and payments practices. These principles are soundly based on reality. From its experience with the payments problems of a variety of economies over a long period of time, the Fund has drawn some practical conclusions about what works and what does not. In general, it believes that more open economies have a better chance to develop; a relatively liberal trading system increases the opportunities for higher and more diversified sources of income, and provides more of a buffer against external shocks than a controlled system. In addition, liberal trading systems help all countries to grow; trade restrictions lead to discrimination and reduce global income.

All Fund-supported adjustment programs, therefore, reflect an effort to open an economy up, to liberalize economic activities, to establish realistic prices, and to reduce controls. But the best way to achieve liberalization will differ from one country to another, according to the situation, the urgency of the problem, and the country's capacity to implement and sustain the measures that are needed. So although the Fund does have a view on how economies can best grow out of their payments problems, this view does not, and cannot, translate into standard remedies.

2. Fund-supported adjustment programs are anti-growth

This is not the case. The Fund exists to encourage the growth of trade, employment, and real income in its member countries while helping them maintain a healthy balance of payments position. These purposes are stated in the first of the Fund's Articles of Agreement which sets down as its objectives "to facilitate the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members" and "to give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunities to correct maladjustments in their balance of payments."

Balance of payments difficulties pose a threat to growth because they affect the flow of financial resources and of imports, and this can disrupt development. Further, they undermine confidence in long-term prospects for the economy, discourage investment, and can result in a less efficient use of scarce resources. Stability in the balance of payments, on the other hand, provides a sounder basis for growth, and develops confidence in an economy.

Countries typically find themselves forced to adopt programs of economic adjustment because they have been living beyond their means. They have, often for many years, been spending more to buy goods and services from other countries than they have been earning from their exports and investments. For a time they can continue in this way by drawing down their foreign exchange reserves and by borrowing from abroad, but eventually these sources will be exhausted, and there will be no other choice than to adjust to what they can afford.

A country in balance of payment difficulties has the choice of taking either a passive or an active role in adjusting. If it chooses to be passive and do nothing, the inevitable adjustment will be forced on it, disrupting the domestic economy at great cost to potential and actual output, and possibly throwing the country's trade and financial relations into chaos. This may also harm the economies of its trading and financial partners. If, on the other hand, the country chooses to adopt a more active role in adjusting to economic reality, the Fund will help it work out a program that will seek to minimize economic disruption and help reestablish the fundamental conditions for growth. In the final analysis, the costs of disorderly adjustment will always be greater than those of orderly adjustment. Furthermore, the Fund will ease the transition to a more solid economic base by lending the country convertible currencies to help it stay current in its international obligations without resorting to restrictions--which merely postpone the problem--until the policy reforms imbedded in the adjustment program take hold.

Although considerably preferable to disorderly adjustment, which is always harmful, Fund-supported programs are not without cost. Adjustment requires both the scaling down of past levels of expenditure and the concentration of scarce resources on more productive uses. Fund-supported programs try to lop off the growth of relatively unproductive expenditure and to eradicate long-established practices that have been frustrating the member's attempts to make the best use of its resources. Cutting back on unhealthy growth may be painful to some elements in society but is necessary if the economy is to be rid of practices that are choking it. This process prepares the ground for productive uses by creating the orderly conditions that will allow the economy to expand and give promise for the future.

In conclusion, over the past years the Fund has established new facilities, known as the structural adjustment facility and the enhanced structural adjustment facility, through which it can lend money to low-income countries that face especially severe problems. The purpose of these facilities is to promote the restructuring of the economies of these countries and thus to improve their opportunities for growth. The programs supported by these facilities contain policy measures specifically designed to increase the supply of productive resources and improve their allocation.

3. The Fund bails out the commercial banks

Debtors and creditors must work together if the current debt crisis is to be resolved. Far from bailing out the commercial banks (to permit them to withdraw from lending to developing countries), the Fund has worked actively over the past several years to keep them productively involved in supporting the debt strategy.

Following the outbreak of the debt crisis in 1982, the Fund stepped in to assume a central, coordinating role in helping debtor countries cope with their problems. A strategy was developed that was based on the adoption of measures designed to improve economic conditions in the debtor countries, supported by a partnership between these countries and their foreign lenders--governments, official financial institutions, and commercial banks. Each group was called on to make a contribution and even to accept a certain risk in order to restore the creditworthiness of the developing countries and their momentum of growth.

What does this mean for the relations between the Fund and the commercial banks? The Fund's efforts to help countries tackle their balance of payments and debt problems have to be financed. The Fund's own resources are too small for it to be able, on its own, to provide more than a relatively modest share of the financing needed to support the rehabilitation of indebted countries. Nor was the Fund ever intended for that purpose; it is a monetary (that is balance of payments) institution, not a development one. Financing from commercial banks and other sources is therefore essential. Since 1982 the

commercial banks have contributed over \$40 billion for this purpose. Indeed, in a number of cases the Fund was not prepared to establish a program without the participation of the banks.

What do the banks gain out of their cooperation? They have a direct interest in the financial health of debtor countries and in the restoration of sound creditor-debtor relationships; they wish to be able to do business in these countries in the future. By making their money available to a country that is carrying out a Fund-supported program, they have some assurance that the debtor countries are reorienting their policies toward sound recovery and, eventually, a normal financial relationship with the banks. Of course the primary responsibility for putting any new resources to effective use rests with the indebted countries, which must increase domestic savings, improve the efficiency of their investment, and strengthen their export capacity. But the indebted countries cannot do all this on their own. Foreign resources are essential if domestic economic reforms are to work and if their burden of debt is to be scaled down over time.

The nature of the relationship between banks and the Fund will differ from country to country. The banks will take the Fund's involvement with a country into account in determining their lending, but will not place exclusive reliance on it. Since commercial lending has traditionally tended to flow to the larger developing countries, the Fund will act on its own, or in conjunction with other official lenders, in

some countries--particularly the poorest. In the more creditworthy middle-income developing countries, the banks will operate without any Fund financial involvement.

The Fund, therefore, has worked cooperatively with the banks in the interests of the debtors and the viability of the financial system as a whole. However, the Fund cannot--and does not--protect commercial banks from making mistakes, nor should it; its mandate is to work with its member countries. Any benefit for the banks from the Fund's work is only a by-product of a far more significant benefit that the debtor countries and the world economy as a whole receive.

4. The Fund has a market-oriented, free-enterprise philosophy, which it applies in a doctrinaire manner

It is true that the Fund's membership has a view on the types of policies that are, broadly speaking, more likely than others to promote external adjustment and a sound basis for economic growth. This view is embedded in its Articles, which were drafted to prevent a recurrence of the conditions that existed during the 1930s (characterized by instability, controls, and predatory economic policies) and which are subscribed to by all members. This approach has also been reinforced by the Fund's experience in dealing with payments problems for over four decades in countries that reflect almost every hue of political ideology.

Such experience has shown that if economic activity is left relatively untrammelled, it is likely to be more efficient and to lead to greater prosperity than if it is restricted and controlled, especially as most countries lack the administrative capacity to control the economy effectively. When exchange and trade systems are unrestricted, trade tends to increase and incomes are likely to rise in all countries. But if, for example, an importer has to comply with a battery of licenses, restrictions, and special privileges before he can bring goods into a country, trade and incomes will grow slowly, whether he spends time and energy circumventing them or complying with them.

This view on the importance of free trading systems is likely to be better understood in a market economy. But the membership of the Fund includes countries that range from fully centrally planned (such as Romania), through more market-oriented planned systems (such as Yugoslavia), to market economies (like the United States). The Fund has had programs in all types of economies and has worked with their authorities, identifying the best way to achieve external balance or exercising its function of surveillance over the payments and exchange system. In the course of this work the Fund develops a consensus on the strategies that are best suited to the priorities and needs of that particular economy. In many instances, Fund-supported programs have accommodated such nonmarket devices as production controls, administered prices, and subsidies.

It is a misunderstanding that the Fund has specific socio-political views that determine the way it operates. Leaving aside the practical issue of whether an institution that is owned by 151 countries could apply a homogeneous view, the fact is that as a matter of explicit policy the Fund does not take a position on social and political issues, but works within the existing sociopolitical system of its member countries. In the formulation of its policies, the Fund is concerned with the broad economic aggregates that promote a viable balance of payments and economic growth. In so doing, it will seek to adapt the instruments of macroeconomic management available in the country to its economic system.

5. Fund-supported programs do not work

The best measure of the success or failure of Fund programs is whether they achieve their broad objective of restoring sustainable balance of payments viability. This is as true for developing countries as for developed. Do programs in fact achieve this objective? Or do they, as some have argued, merely impose too many restrictions on a country's economy and end up by inhibiting economic growth?

The general conclusion of studies of the effects of Fund-supported programs is that they have had a positive effect, both in improving the efficiency with which existing resources are used and in increasing the amount of resources available to the countries. Certainly these studies have demonstrated that the allegation that Fund-supported programs harm the countries they are designed to help is unjustified.

It is not easy to measure precisely the effectiveness of programs. One way is to determine what would have happened without any program at all. Another approach would be to compare the situation of countries before and after they have had Fund-supported programs. A third way is to measure the difference between performance under the program and that specified in the program's targets. Other methods are to analyze the difference between actual performance under a program and some optimal set of policies, or to compare hypothetical performance under two different sets of policies. A final course is to compare progress made by countries that have had Fund-supported programs with developments in other, similar, countries that have not had programs.

Other important factors should be taken into account. First, in any method of comparison, the immediate effects of programs must be distinguished from their longer-term impact. Second, in studying the effects of Fund-supported programs, one has to look at the impact of these programs on a whole set of indicators, including the balance of payments, inflation, growth, investment plans, export incentives, external debt, tax administration, pricing policies, and exchange and trade controls.

While it is difficult to arrive at a definitive answer on the basis of such a wide range of considerations, the studies that have been carried out indicate that Fund-supported programs have a positive impact on growth. For instance, analyses that have been made of the impact of exchange rate changes within the context of Fund-supported programs--a frequent ingredient in countries with unrealistic exchange rates--have found no evidence that these have had an overall adverse effect on growth. On the contrary, in a number of cases, devaluation has tended to stimulate growth, even in the short term. Studies that have focused on the effects of the entire policy package in Fund-supported programs have found little support for the claim that stabilization policies have harmed growth. In fact, in a number of cases growth was higher during and following a program than it was before it.

The final measure of the success of Fund-supported programs is the impact that they have had on the prospects for the developing countries themselves. Since the outbreak of the debt crisis in 1982 and the end

of 1987, for instance, the financing associated with Fund-supported programs has been substantial. The Fund has provided over \$45 billion of its own resources; helped to mobilize commitments of some \$40 billion in new lending from commercial banks, and facilitated the restructuring of very substantial amounts of debt due to official and private creditors. No one could claim that, in the absence of this support, imports, output, employment, and investment could conceivably have reached the levels that they have in many program countries.

However, the Fund's approach is not a rigid one. The Fund is always ready to consider ways that help its members restore payments viability and growth.

6. Fund-supported programs harm the poor

Fund-supported programs concentrate primarily on helping countries achieve and sustain a viable balance of payments. Achieving such an objective entails some costs in the short run, since a country must return to living within its means after living beyond them. While such an adjustment inevitably changes existing patterns of income distribution, and may, therefore, affect income groups differently, one has to make a distinction between the role of the Fund and that of the national authorities in the way the adjustment takes place. Once an economic recovery program has been formulated by the country and agreed with the Fund, its implementation is largely a matter for the national authorities.

The policy recommendations of a Fund-supported program primarily concern broad aggregates--such as the size of the government deficit or the margin for credit expansion--that are significant for the country. The Fund's recommendations for these aggregates are aimed at correcting short-term imbalances and improving long-term competitiveness. Only in a few cases does the Fund address specific areas, such as sectoral wage rates or individual government programs--areas which member countries have always considered to be the prerogative of national sovereignty.

This is only sensible. An international institution like the Fund that is responsive to its membership has to respect the diversity of social and political priorities of its member countries. But it does

not mean that the Fund is oblivious to the possible impact on the poor of the programs it supports. The Fund has generally sought to make national authorities aware of the choices that they face and of their ramifications. Take a situation where an external payments deficit has arisen because the government's spending substantially exceeds its capacity to raise revenues. The Fund will normally examine the budgetary accounts. If this examination reveals large expenditures on subsidies, such as on food or petroleum products, the Fund will point out to the authorities the economic cost of these, and their implications for the country's external deficit. It may also identify more efficient ways of reducing such subsidies without aggravating the position of particularly vulnerable groups; often subsidies or other programs primarily benefit the middle-income and wealthier groups rather than the poor. But the Fund will usually not require that this or any other social policy should be pursued under the adjustment program; it has generally limited itself to broad recommendations that the budget deficit must be reduced.

Although the role of the Fund and the role of national authorities in the design of adjustment programs are quite distinct, the Fund has been paying more attention recently to the impact of adjustment programs on the poor. A recently completed study shows that the poor, as well as the rich, will be affected in some way by any adjustment program that changes price incentives in order to improve a country's competitiveness, or that reduces domestic spending to limit

an imbalance. If the Fund recommends to the authorities in a primarily agricultural economy that they should maintain a realistic exchange rate--which usually means that the currency is overvalued and should be devalued--this will benefit those producing and exporting agricultural products. In countries where the poor are largely engaged in producing these goods, such a policy will improve the well-being of the rural poor, though the urban population, particularly the urban poor, may be worse off in the short term.

Nevertheless, it is a complex matter to isolate the net effect of adjustment measures on the poor; not only are there lags in the impact of many of these, but their effect is often indirect and not well understood. Moreover, the poor are not a homogeneous group. They live in cities and they live in the countryside; some are unemployed and survive on transfers from the government; some are petty traders or artisans; and some are farmers. Different policy measures affect each group in different ways. However, it is clear that a better understanding of the distributional effects of adjustment will make for better adjustment programs and the Fund is working to achieve this goal. The Fund has begun to assess the social implications of the programs it supports in assisting longer-term adjustment in the low-income countries. It is also actively cooperating with the World Bank and with UN agencies, such as UNICEF, in addressing the impact of adjustment on poverty.

But, ultimately, when countries come late to the Fund for assistance, their ability to protect the poorer segments of their populations is often quite limited. Unsustainable policies often hurt the poor more than the wealthier groups of a society, while the political intervention that is part and parcel of disorderly adjustment also tends to favor the wealthier and more politically powerful groups. Finally, the poor generally have few ways of protecting their welfare against the effects of the rapid inflation that typically accompanies external payments crises. With the Fund's assistance, and with the help of other resources that are attracted by the existence of a Fund-supported program, the prospects for growth in the country over the medium term are enhanced. And when growth improves in a country, this is likely to improve the well-being of the poor, through increased employment and the government's greater capacity to afford programs that benefit them.

7. Fund-supported programs impose austerity on member countries

This is a misconception for a number of reasons.

First, countries fall into balance of payments difficulties because of inappropriate domestic policies, unfavorable external developments, or a combination of both. It is this initial disequilibrium and lack of financing prospects that forces a country to adopt austerity measures.

Second, in these circumstances a country can draw down its reserves of foreign exchange or can borrow abroad to subsidize its deficit, but only to a point. Eventually, its reserves, as well as the willingness of foreign creditors to continue to lend, will be exhausted. Sooner or later, with or without the Fund, the country will have to adjust. If adjustment takes place in a disorderly fashion through the imposition of restrictions that merely postpone the solution of the problem, its ultimate costs will be high. If it takes place through an orderly and planned adjustment program supported by the financial resources of the Fund, the potential costs can be lowered.

Third, all programs of economic adjustment involve some sacrifice. To judge their severity, the sacrifices required for an adjustment program to succeed must be compared with the sacrifices that would be required if no attempt were made to adjust to deteriorating economic circumstances, that is, if adjustment were merely postponed. It is certain that postponing adjustment results in much more severe sacrifice.

Fourth, it is often claimed that Fund-supported programs attack the most disadvantaged segments of the population. This is not so. The required adjustment effort can be distributed across the various social groups and among the various categories of public expenditure (spending on arms or on social outlays, for instance); but it is the government, not the Fund, that decides how this distribution is made. As it is a rare government that is eager to claim responsibility for unpopular but necessary reform measures, governments have often used the Fund as a scapegoat, implying that these reforms have been "dictated" by the Fund. In reality, the Fund may be the messenger of unwelcome news, not the implementor of programs.

Fifth, exchange rate adjustments, when a necessary element in Fund-supported programs, do not put the least favored segments of the population at a disadvantage. In fact, depreciation may generally assist important groups of the poor. This applies particularly to countries with a sizable agricultural economy that is oriented to exports. Over-valued exchange rates that often characterize these economies prevent small farmers from benefiting from the attractive domestic currency prices that would result from a competitive exchange rate; overvaluation in fact protects the more-favored segments of the population who live in cities. Achieving a correct pricing of the currency through devaluation will benefit the vast majority of the rural population that has all too often been victimized by disincentive prices and, over time, restore a better equilibrium between urban and rural interests.

Sixth, Fund-supported adjustment programs encourage the elimination of inefficiency and waste, and clear the way for longer-term structural efforts to promote durable growth in members' economies. To optimize the benefits of Fund-supported programs, they should be integrated with and supported by increased external financing to assist structural efforts, including those undertaken by the World Bank.

In conclusion, while it cannot be denied that adjustment programs may involve some costs, Fund-supported programs are designed to achieve the necessary adjustment in a manner that is in the interest of the member's long-term prospects. These programs seek the maximum potential for growth while attempting to minimize the unavoidable austerities attendant on all adjustment.

8. Developing countries have no influence on Fund policies

While many individual developing countries may not have the same weight in the Fund as individual industrial countries, owing to the institution's weighted voting system, they nonetheless have an important voice, and they have helped to shape the Fund into the institution that it is.

The voting power of individual Fund members is proportional to their subscriptions (known as "quotas"). Since subscriptions are determined by a country's economic size and its importance in trade, and since countries with the largest financial stake in the Fund should have the largest say in its decisions, the developing countries inevitably have smaller individual shares in the Fund than the industrial countries. The United States provides the Fund with about 20 percent of its total resources and holds about the same percent of total voting power, while the Comoros pays in some 0.01 percent of total subscriptions and has an equivalent voting power.

But this does not by any means mean that developing countries have no influence. As a group they represent 40 percent of total voting power. This is about the same as the combined share of the five largest shareholders. Not only is this enough to influence the Fund's decision making in important ways, it is also sufficient to give them veto power over those major decisions that must be approved by an 85 percent or a 70 percent majority. Decisions that require such majorities--and over which developing countries can have a controlling influence--include those concerned with increasing the size of the Fund's resources, the sale of its gold, and the determination of charges on borrowings from

the Fund. However, there is, on most issues, no formal voting in the Fund; decisions are generally arrived at by consensus.

Furthermore, it is important to recognize that on many issues the interests of member countries do not divide according to their stage of development. On most of the major issues that face the international monetary system, such as the most appropriate system of exchange rates, or trade liberalization, the interests of countries cut across income groups. On issues which could divide members by stage of development, such as access to Fund lending, the developing country members reflect many gradations of view. On many of the problems that have to do with debt, for instance, countries' views differ according to their relative creditworthiness.

The allegation that somehow the international monetary system works against the interest of developing countries is also misplaced. During the past decade, virtually all of the Fund's financial support has been to developing countries. In addition, partly as a result of the weight of developing countries in the Fund's policy-making, access to the Fund's resources has increased considerably over the past few years for countries with serious payments problems. Existing facilities have been expanded and new ones established that are primarily tailored to the needs of developing countries. Two new facilities, the structural adjustment facility and the enhanced structural adjustment facility, for instance, provide highly concessional resources over the longer time periods needed to come to grips with fundamental reforms in low-income developing countries with protracted payments problems.

9. The Fund has influence only over deficit countries;
it does nothing about surplus countries

The charge that the Fund is asymmetrical in its influence has an element of truth in it, but it needs to be qualified.

The Fund is required by its Articles of Agreement to treat all its members evenhandedly. Countless decisions of its Executive Board over the years have confirmed this requirement, and many measures have been taken, such as the establishment of the General Arrangements to Borrow during the 1960s, to ensure that the Fund has at its disposal adequate financial resources to address the financial needs of its entire membership. The sole prima facie condition for a member's seeking access to Fund resources is a disequilibrium in its balance of payments. Such problems are not confined to specific categories of Fund members--large or small, rich or poor, industrial or developing--but have at one time or another affected all members. Over the years the largest borrower from the Fund has been the United Kingdom which, in drawing on the Fund's resources, has been subject essentially to the same requirements as is a developing member borrower.

It is, however, correct that the Fund exerts greater influence over the policies of countries using its resources than it does over the policies of countries that do not apply for assistance. The membership has entrusted to the Fund significant financial resources for lending to members that are in need of balance of payments assistance and that will undertake policy reforms to ensure that the borrowed resources are put

to the most efficient use and can be repaid. The member presents to the Fund a program of adjustment it intends to follow in support of its request for assistance. The Fund negotiates the elements of this program and, having accepted it, monitors the member's compliance with its commitments. In this way the Fund undeniably exercises influence over the member's policies. The conditions attached to Fund loans and the degree to which it monitors the member's progress have been carefully defined by the Fund's Executive Directors and have been sanctioned by the experience of years.

What of members that have a balance of payments surplus and do not need to borrow from the Fund? Does the Fund have any influence over their policies? The answer is yes. The main tool at the Fund's disposal is the moral suasion it exercises over members to follow policies that will further the economic prosperity of the entire membership. There are three ways in which the Fund exercises this influence. First, the Fund provides a forum in which all members can comment on the policies of other members, encouraging what is to be encouraged and deploring what is to be deplored. This function is an innovation of the Fund, constituting as it does a permanent forum in which ideas and judgments can be regularly exchanged.

Second, the Fund holds, usually on a yearly basis, consultations with each of its members. These consultations serve to elicit economic data and to present an opportunity for the entire membership to comment on

how the member has been conducting its economic affairs and how it has been conforming to the obligations it undertook in subscribing to the Fund's Articles of Agreement.

Third, the Fund speaks out. For example, in its twice yearly World Economic Outlook publications and in the speeches of its Managing Director, the Fund regularly announces its views about the policies of its largest and most economically significant members. The Fund's judgments are frank and often surprisingly critical, and are taken seriously by the member affected. Some of the most unequivocal comment is reserved for the member countries with the largest surpluses. How much these comments influence the policies of surplus members is difficult to judge; responsible governments, however, probably are aware that ignoring world opinion, as expressed through the medium of the Fund, is in itself a dubious policy.

10. The Fund and the World Bank collude in dealing with developing countries

It is a mistake, although in some respects perhaps an understandable one, to see the Fund and the World Bank as colluding in their relations with their members and deciding between themselves whether to grant or to withhold assistance. Such a suspicion is based on a misunderstanding of the purposes of the two organizations and the manner in which they operate.

The Fund and the Bank have been entrusted, under their respective statutes, with separate mandates but with a broad common interest, namely to work for the economic progress and greater welfare of their membership. The Fund's mandate extends to both developing and developed countries. It works to promote monetary cooperation and exchange stability, facilitate the expansion and balanced growth of trade, and provide financial support to assist members facing balance of payments difficulties. The World Bank's operations, on the other hand, are primarily in the area of longer-term development, and it provides its financial and technical assistance to help governments undertake policy reforms designed to establish economic growth and support a wide variety of projects and programs in the public and private sectors. Even though there is some inevitable overlapping in carrying out their respective mandates, the underlying separation of purpose between the two organizations remains clear.

The Fund and the Bank do, however, cooperate in many ways. First and foremost, the staff of one organization consults the other in its particular area of expertise: for example, the Fund staff will ask the Bank staff's view on the investment program of member countries, while the staff of the Bank will seek the opinion of Fund staff on the appropriateness of exchange rate policies in countries in which it is about to support a program. Also, for operational efficiency, the two institutions maintain some services in common, and staff members from one organization may, as required, participate in the other's missions to member countries.

This cooperation has increased recently as each institution has begun to do more work that is relevant for the other. While the bulk of the Bank's lending is still for specific projects, since the early 1980s the Bank has expanded the scope of its lending operations to include sectoral and structural adjustment loans, designed to help developing countries adapt their economic policies in the face of balance of payments problems. At the same time the Fund has also moved toward providing more lending to help countries restructure their economies over longer periods of time. This convergence of purpose has been intensified with the creation of the Fund's structural adjustment and enhanced structural adjustment facilities, where the Fund works in close cooperation with the Bank in helping low-income member countries develop a medium-term policy framework for their programs.

When the Fund and the Bank work together on structural reform, a sharing of expertise between the two organizations is both necessary and desirable. It minimizes the risk that they will work at cross-purposes, but does not detract from the primary role of each. It is, indeed, by retaining their distinct characters and their independence of operation that the Fund and the Bank are able to provide a more expert and flexible assistance to their membership than could be provided by a single large organization.

Fund-Bank collaboration, therefore, has only one purpose: to improve the quality of the service the two institutions provide to their member countries.

7/20/88
INTERNATIONAL MONETARY FUND

May 2, 1988

TO : Mrs. Pintoy
FROM: Audrey D. Daniels *ad*
Subject: Annual Meetings

Since I have not been able to contact you by telephone, I am sending this note to ask whether you have in hand the arrangements in Berlin for secretarial coverage for the Paris and Geneva offices. I would appreciate hearing from you.



Office Memorandum

Mr. Russo
AW

TO : Heads of Departments,
Bureaus and Offices

FROM : Director of Administration *JM*

SUBJECT : Secretarial Assignments--1988 Annual Meetings

DATE: APR 20 1988

Your Department is authorized to assign one staff member of your choice to meet your secretarial needs at the 1988 Annual Meetings in Berlin (West). The normal period of duty in Berlin (West) will be Saturday, September 24 through Thursday, September 29.

Will you please inform my office who the individual will be and, if a longer period of duty in Berlin is required, the time and the reason.

In case additional help should be required to meet your Department's needs in Berlin, efforts will be made to secure qualified local typists and secretaries. Any requests for them should be addressed to Mrs. Sheila Pinto, Bank Room M-800.

RECEIVED
1988 APR 27 PM 4:20
EUROPEAN DEPARTMENT



Office Memorandum

M

To: The Director of Administration

April 12, 1988

From: Massimo Russo

[Signature]

Subject: Attendance at Annual Meetings - 1988

The European Department will require the services of the following senior staff for the Annual Meeting in Berlin (West) in September 1988:

Massimo Russo
Patrick de Fontenay
Manuel Guitián

It may be necessary, closer to the time of the meetings, to add one additional staff member for discussions on Yugoslavia, Poland, etc.



Office Memorandum

Mr. Russo
[Signature]

TO : Heads of Departments,
Bureaus and Offices

DATE: April 11, 1988

FROM : Director of Administration *[Signature]*

SUBJECT : Attendance of Annual Meetings - 1988

I would be grateful if you would let me know by April 22, 1988 the names of those senior staff in your department whose services will be required at the Annual Meetings to be held in Berlin (West) from September 27-29. In preparing your list, I suggest you use as a general guideline the number of senior staff from your department who were required at the last overseas meeting and, if possible, reduce the number of staff who may be needed for the meetings in Berlin.

Requirements for secretarial personnel to assist departmental staff will be dealt with in a later memorandum.

Mr. Russo
In Seoul - EUR
sent 3 Senior
Staff - Whitlame
de Fontenay
Jung
Russo
Pd. F
H. G
+ 1 person if necessary
for discussion
(e.g. Poland etc.)

RECEIVED
1988 APR 12 PM 12:27
EUROPEAN DEPARTMENT



Office Memorandum

TO : Mrs. Pintoy

DATE: March 23, 1988

FROM : Audrey D. Daniels *GD*

SUBJECT : 1988 Fund/Bank Annual Meetings

This is in reply to your memorandum of March 15, 1988. The European Department is able to release the four staff members mentioned in your memorandum for assignment to the Joint Secretariat in Berlin for the periods you have specified.

✓ cc: Mr. Russo
bcc: *supervisor*



THE INTERNATIONAL MONETARY FUND ARCHIVES RECORD CLOSURE NOTICE

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- ☐ Legal records and other material that are protected by attorney client privilege
- ☐ Personnel files, medical information, or other records containing personal information
- ☐ Records and proceedings of the Grievance Committee
- ☐ Records acquired by the Fund by Third Parties, including Member Countries, with security classifications of 'CONFIDENTIAL' or above. (Declassification can be requested)
- ☒ Other sensitive nature: BoG

Archival Ref No.:	593252
File Title & Dates:	Annual Meetings - Correspondence (Berlin), 1988
Fonds:	European Department Records, 1946-1994
Sous-fonds	European Department Immediate Office Records, 1946-1994
Series:	EURAI Subject Files, 1953-1993
Box Number:	A25649-260
File Number:	1
Date Reviewed:	2024-12-18

DETAILS OF WITHDRAWN MATERIAL

DATE	1988-03-15
TYPE	Memorandum
TO	Miss Daniels
FROM	Sheila M. Pintoy
SUBJECT/TITLE	1988 Fund/Bank Annual Meetings
NO. OF PAGES	1
AUTHORITY	Board of Governors
LANGUAGE	English

INTERNATIONAL MONETARY FUND

March 17, 1988

TO :

FROM: Audrey D. Daniels

Subject: 1988 Fund/Bank Annual Meetings

I have received a request from the Annual Meetings Office for the release of four secretaries from the European Department for assignment to the Joint Secretariat during the Annual Meetings in Berlin.

Would you please let me know whether you would be able to release for an assignment in Berlin from September Temporary help would be available, if you wished, during her absence.

To: Messrs. Guitian, Ungerer/Belanger, Spitaeller, Knob

✓
OK

✓
OK

✓
OK

✓
OK

OK
[Signature]

March 17, 1988

To: Varou's supervisor

Audrey D. Daniels

Subject: 1988 Fund/Bank Annual Meetings

I have received a request from the Annual Meetings Office for the release of four secretaries from the European Department for assignment to the Joint Secretariat during the Annual Meetings in Berlin.

Would you please let me know whether you would be able to release for an assignment in Berlin from September Temporary help would be available, if you wished, during her absence.

CHRONOLOGICAL COPY



Office Memorandum

Mr. Russo

✓

March 17, 1988

MEMORANDUM FOR FILES

Subject: 1988 Annual Meetings in Berlin

Mr. Kulke of the alternative Berlin newspaper Tageszeitung (taz) called the other day to advise me that the symposium on LDC indebtedness which had been planned for May 8-9 in Berlin with World Bank and Fund participation, has been cancelled. The "alternative scene" (comprising various radical groups reaching from the left wing spectrum of the Greens and the Social Democratic Party over to the more radical church groups all the way to anarchistic extremists, who are supporting the taz) have determined that it would be a political mistake to argue in an open forum with representatives of the "oppressive financial institutions from Washington", who in their view are responsible for mass murder in many developing countries.

In my view, the cancellation does not bode well for the Annual Meetings, as it seems that the groups opposed to the Fund and Bank have made a conscious decision to "hold their fire" until the Meetings actually take place.

Mr. Kulke, who is a moderate in the editorial board of the paper, was wondering whether it would be possible to publish the transcript of a discussion to be organized between a Fund (possibly also Bank) representative and an academic critic, e.g. professor Altvater of Berlin's Free University, sometime in the summer. I promised to look into the feasibility of this proposal.


Hellmut Hartmann

cc. Mr. Van Houtven
Mr. Mohammed
Mr. Russo ✓
Mr. Beith

Mr. Aguirre-Sacasa (World Bank)

Mr. Fatoyinbo (European Office, World Bank)



THE INTERNATIONAL MONETARY FUND ARCHIVES

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DETAILS OF WITHDRAWN MATERIAL

DATE	1988-03-15
TYPE	Memorandum (and copy)
TO	Miss Daniels
FROM	Sheila M. Pintoy
SUBJECT/TITLE	1988 Fund/Bank Annual Meetings
NO. OF PAGES	2
AUTHORITY	Board of Governors
LANGUAGE	English



Office Memorandum

7M

TO: Messrs. Beza
Narvekar
Ouattara
Russo
Shaan

March 4, 1988

FROM: A. F. Mohammed

SUBJECT: Material for Annual Meetings in Berlin

As you are aware, the German authorities are mounting an active campaign to counter wide-spread protests by various opposition groups against the Fund and the Bank centered around the 1988 Annual Meetings in Berlin. In addition to an elaborate speakers' program and extensive use of available mass media to explain the work of both institutions, the authorities plan an ambitious series of publications looking at both the Fund and the Bank from various perspectives.

One of these publications will provide citations by recognized international figures on the role of the Fund in providing vital assistance to member-countries. These quotations, about one page each, will be published together with a photograph identifying the author and his current or former position. Such citations could be solicited from suitable personalities or taken from previously made public statements or from published material. In all cases, we shall seek prior approval of the author before allowing use of the material.

The purpose of this memo is to seek your assistance, and that of your associates, particularly the Fund's resident representatives, to collect and/or identify suitable material and photographs for this purpose. The Fund's Information Division will be prepared to provide logistical or practical assistance, such as arranging for photographers, if needed.

cc: The Deputy Managing-Director
Mr. Whittome
Mr. Beith
Mr. Wiesner
Mr. H. Simpson

cc: Divisions, EUR

Is there scope for Portugal,
Hungary, etc.

M.R. 3/7/88

RECEIVED
1988 MAR -7 AM 10:06
EUROPEAN DEPARTMENT



Office Memorandum

1988 FEB 16 PM 5:15

TO: The Managing Director
The Deputy Managing Director February 12, 1988

FROM: Hellmut Hartmann H. H.

SUBJECT: Public Affairs Program for 1988 Annual Meetings in Berlin

In connection with my travel to Italy, I visited Bonn and Frankfurt from January 31 through February 4, 1988 to discuss aspects of the public affairs program for the 1988 Annual Meetings in Berlin with the German authorities. In Bonn I met with representatives of the Federal Press and Information Office, which is coordinating the public relations aspects of the program (Messrs. Bergsdorf, Berwinkel, and Franck), the Ministry of Finance (Messrs. Wichter and Wohlleben), and the Ministry of Economic Cooperation (Mr. Opländer). In these discussions I was joined by Mr. Fatoyinbo of the Paris Office of the World Bank. In Frankfurt I met with Mr. Koerber of the Deutsche Bundesbank.

I also held discussions with representatives of the political foundations, the churches (both protestant and catholic) and other non-governmental organizations interested in world economic and Third World issues.

During my conversations in Germany, my earlier impression was confirmed that the 1988 Annual Meetings are likely to take place in an atmosphere of public unrest, bordering, perhaps, on violence. I am drawing this conclusion mainly from contacts with representatives of non-governmental organizations, in particular Lutheran church groups, and the anti-establishment press. The analysis is based on the expectation that a rather large group of activists at the extreme left of the political spectrum is trying to build up latent criticism of the Fund and the Bank into a cause that could be used to mobilize the emotions of those discontented with society in general and the political establishment in particular. Such efforts have been quite successful in the past, whereby latent opposition to the deployment of U.S. nuclear missiles, to nuclear power plants, to the 1987 census, etc. have been turned into highly visible, at times violent, protest movements holding public attention for months, if not longer. Similar worries regarding the Berlin Meetings were expressed in an article of Die Welt of January 23, 1988 (Attachment I).

The above mentioned scenario may turn out to be less dramatic under two conditions: (1) If the movers within the political spectrum on the far left were to find another (non-Fund or -Bank-related) cause that promises to be more appealing to those whom they wish to rally, and (2) if the strategy of the German authorities to cast the Fund and the Bank in a more favorable light proves to be successful.

This strategy, based on our "Outline of a Public Affairs Program for the 1988 Annual Meetings in Berlin (West)", dated August 21, 1987, aims at neutralizing the negative image cast by the extreme groups so that it does not spread to "the part of the public whose perception of the Bretton Woods institutions ranges from mildly positive over neutral to mildly negative" (Outline, p. 2).

An opinion poll on the external debt problem and IMF/World Bank policies conducted by the German authorities toward the end of 1987 yielded a rather positive picture, although the Press and Information Office, in an internal memorandum, is warning that it would be premature to draw final conclusions from the preliminary assessment of the results of the poll, which are as follows (partial translation of summary of results):

"1. Only a small minority has focussed on the subject matters asked, and those who have, are most familiar with the "debt crisis." Even the most polemic arguments are not yet known.

2. The debt crisis of the Third World is seen as an area where self-interest of industrial countries is interacting with the inability of LDCs to implement economic policy reforms.

3. Accordingly, the views on how to deal with the problem are controversial. There is a tendency favoring debt-forgiveness rather than assuming responsibility.

4. "When it comes to (my) money, let's stop joking"--this probably describes the attitude best, when various financing techniques for solving the debt crisis are being assessed: While cutting bank profits and floating solidarity bonds were favored, concrete steps involving financial contributions from the general public in the industrial countries were opposed.

5. The meeting in Berlin was welcomed.

6. There is not much sympathy for anticapitalistic criticism of the Fund and Bank."

The preliminary conclusion drawn by the authorities was that although only a fifth of those asked seem to have had views of their own on the debt problem, it is presently difficult to gauge how "powerful the tensions may get by the time of the Berlin meetings." For complete results of the poll, please refer to Attachment II.

At the request of Chancellor Kohl a number of ministries are presently preparing material for an assessment of all aspects relating to the Annual Meetings--i.e. organization, security, and public affairs--which will be dealt with at a regular cabinet meeting shortly.

In my discussions with the German authorities, progress under two aspects of the public affairs program was reviewed: public events (seminars, conferences, meetings with the press), and publications. It was my impression that concepts in both fields were well advanced, but that some further efforts are needed to implement all aspects of the program. I am listing in Attachment III the publications being prepared in German both by the German side and by the two institutions as well as the main events that are being planned in connection with the public affairs program (Attachment IV).

The items listed are self-explanatory. I would, however, emphasize two points which in my view are of particular importance. The Gemeinsame Konferenz Kirche und Entwicklung (GKKE), a joint secretariat of the Catholic and Protestant Churches which is particularly active in shaping opinion on development issues within the churches (which are probably more influential in Germany than in other countries), is organizing a conference on the debt problem (June 20/21), in which high church officials (including the presiding bishops of the two main churches), political leaders and the press would participate. I was asked to prepare a paper on the Fund's role in assisting countries with their debt problems (emphasizing the "new thoughtfulness" of the Fund). The GKKE is keenly aware of the moderating role the churches would have to play if demonstrations were to turn into violent events, and it is the purpose of this conference to make the bishops aware of the issues.

In this connection, I was asked if the Fund would be willing to consider an exchange of letters between the two presiding bishops and the Managing Director touching on a number of issues including poverty aspects of conditionality etc. The idea would be to publish the letters in advance of the Berlin Meetings, either as a Fund publication or as a joint publication of the churches and the Fund. Notwithstanding the question of who would publish, I am convinced that such an exchange of letters could have a positive influence on public opinion in Germany.

In Frankfurt, Mr. Fatoyinbo and I took part in an informal discussion on current problems facing the Fund and the Bank, which was organized by the press agency of the Protestant Church in Germany (Evangelischer Pressedienst, epd), which is known for its harsh criticism both of the Fund and the Bank. The meeting was held after office hours and attended by approximately 25 critical, left-leaning journalists, representatives of non-governmental aid organizations and development experts from the government-owned Kreditanstalt für Wiederaufbau (KfW), and the Gesellschaft für Technische Zusammenarbeit

(GTZ). At the end of a rather lengthy off-the-record discussion full of critical but fact-related questions I was asked to give a radio interview to a local radio station (Hessischer Rundfunk) which I did.

Attachments

cc: Mr. Frenkel
Mr. Ouattara
Mr. Van Houtven
Mr. Whittome
Mr. Mohammed
Mr. Russo ✓
Mr. H. Simpson



THE INTERNATIONAL MONETARY FUND ARCHIVES

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SERIES	EURAI Subject Files, 1953-1993
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FILE NUMBER	1

DATE REVIEWED	2024-12-18
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DETAILS OF WITHDRAWN MATERIAL	
DATE	1988-01-23
TYPE	Journal article and translation
PUBLICATION	Die Welt
TITLE	Sorge um Sicherheit auf der Tagung des IWF in Berlin
AUTHOR	Harald Gunter
NO. PAGES	2
LANGUAGE	German / English

III C 3
Mülhens

Bonn, 13. Januar 1988

Betr.: IWF/Weltbank-Umfrage zur Jahrestagung 1988 in Berlin
hier: Globalergebnisse von Infratest (1.867 Befragte
ab 18 Jahren, Feldzeit 14.-30.11.1987)

Die von Infratest kurz vor Weihnachten vorgelegten Globalergebnisse einiger Fragen zur Problematik der Verschuldung der Dritten Welt und der Politik von IWF und Weltbank zeigen:

1. Mit dem Themenkreis haben sich nur Minderheiten näher beschäftigt. Den höchsten Bekanntheitsgrad hat die "Verschuldenskrisen". Auch sehr polemische Argumente (vgl. Punkt 6) sind noch kaum bekannt.
2. Bei der Verschuldenskrisen der Dritten Welt treten in den Augen der Befragten Eigennutz der Industrieländer und wirtschaftspolitische Unfähigkeit der Entwicklungsländer miteinander in Interaktion. Zinsstruktur oder mangelnde Anstrengungsbereitschaft auf Seiten der Entwicklungsländer werden dagegen seltener als Ursachen gesehen.
3. Die Heilungsmethoden sind folglich umstritten. In der Haltung gegenüber IWF-Auflagen läßt sich eine Tendenz erkennen, lieber auf Forderungen zu verzichten als Verantwortung zu übernehmen.
4. "Beim (eigenen) Geld hört der Spaß auf" - so läßt sich die Haltung umschreiben, aus der heraus die verschiedenen Finanzierungsmodelle für eine Lösung der Verschuldenskrisen beurteilt werden: Schmälerung der Bankengewinne und die (unverbindliche) Auflage einer Solidaritätsanleihe werden befürwortet, die Heranziehung der Allgemeinheit in den Industriestaaten jedoch abgelehnt.
5. Die Tagung in Berlin wird sehr gut aufgenommen.
6. Eine antikapitalistische Kritik an IWF/Weltbank findet wenig Resonanz.

Obwohl gegenwärtig allenfalls ein Fünftel der Befragten ein gewisses Engagement für die Verschuldensproblematik vermuten läßt, läßt sich schlecht abschätzen, wie stark die Druckkulisse zu der Berliner Tagung werden kann. Vor weiteren Untersuchungen wie Schlußfolgerungen sollte die Intensivauswertung der Fragen abgewartet werden. Sie ist ebenso wie die Vorlage des Berichts über die gleichzeitig durchgeführte, alle zwei Jahre wiederaufgelegte Erhebung zu den entwicklungspolitischen Einstellungen der Bundesbürger für Ende Januar 1988 zu erwarten.

Mülhens

(Mülhens)

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Nr.		Weiter mit
21.	<div data-bbox="324 159 544 212" style="border: 1px solid black; padding: 2px; display: inline-block;">Themawechsel:</div> <p>In der öffentlichen Diskussion kann man hin und wieder die Begriffe <u>Weltbank</u> und <u>Internationaler Währungsfonds</u>, abgekürzt <u>IWF</u>, hören.</p> <p>Die <u>Weltbank</u> ist eine Einrichtung für die Entwicklungshilfe. Ihre Aufgabe ist die Finanzierung von Projekten in der Dritten Welt.</p> <p>Haben Sie sich mit der <u>Weltbank</u> und ihren Aufgaben schon einmal näher beschäftigt, oder würden Sie sagen, darüber sind Sie eher kaum unterrichtet?"</p> <div style="text-align: right; margin-top: 20px;"> Damit näher beschäftigt 11 () Darüber eher kaum unterrichtet 89 () </div>	
22.	<p>Der <u>Internationale Währungsfonds</u> ist eine Einrichtung zur Überwachung und Stabilisierung der internationalen Währungsbeziehungen.</p> <p>Haben Sie sich mit dem <u>Internationalen Währungsfonds</u> und seinen Aufgaben schon mal näher beschäftigt, oder würden Sie sagen, darüber sind Sie eher kaum unterrichtet?"</p> <div style="text-align: right; margin-top: 20px;"> Damit näher beschäftigt 13 () Darüber eher kaum unterrichtet 87 () </div>	
23.	<p>Seit einigen Jahren können immer mehr Entwicklungsländer die Zinsen für die Kredite nicht mehr zahlen, die sie bei den Banken der Industrieländer aufgenommen haben.</p> <p>In der öffentlichen Diskussion wird deshalb auch von einer <u>Verschuldungskrise der Dritten Welt</u> gesprochen.</p> <p>Haben Sie sich mit dieser <u>Verschuldungskrise</u> schon mal näher beschäftigt, oder würden Sie sagen, darüber sind Sie eher kaum unterrichtet?"</p> <div style="text-align: right; margin-top: 20px;"> Damit näher beschäftigt 33 () Darüber eher kaum unterrichtet 67 () </div>	

Nr.		K. 2	Weiter mit														
*24.	<p>Über die Ursachen der Verschuldungskrise in der Dritten Welt kann man zur Zeit verschiedene Meinungen hören. Sagen Sie mir bitte zu jeder Aussage auf dieser Liste, ob Sie ihr zustimmen oder nicht zustimmen.</p> <p>Liste 24 vorlegen!</p> <p>A Die Banken haben die Kredite an die Länder der Dritten Welt zu großzügig vergeben</p> <p>B Die Entwicklungsländer sind zu sorglos mit dem geliehenen Geld umgegangen</p> <p>C Die Banken haben zu hohe Zinsen verlangt</p> <p>D Anstatt mit den Krediten ihre Wirtschaft zu entwickeln, haben die Entwicklungsländer das Geld einfach verbraucht oder für andere Zwecke verwendet</p> <p>E Die Banken haben die Kredite überwiegend für Projekte gegeben, die mehr den Industrieländern nützen als den Entwicklungsländern</p> <p>F Die Entwicklungsländer haben sich zu wenig angestrengt, um die Zinsen zu zahlen</p>	<table border="0"> <thead> <tr> <th>Stimme zu</th> <th>Stimme nicht zu</th> </tr> </thead> <tbody> <tr> <td>(62)</td> <td>(35)</td> </tr> <tr> <td>(70)</td> <td>(26)</td> </tr> <tr> <td>(48)</td> <td>(44)</td> </tr> <tr> <td>(66)</td> <td>(29)</td> </tr> <tr> <td>(68)</td> <td>(27)</td> </tr> <tr> <td>(36)</td> <td>(58)</td> </tr> </tbody> </table>	Stimme zu	Stimme nicht zu	(62)	(35)	(70)	(26)	(48)	(44)	(66)	(29)	(68)	(27)	(36)	(58)	
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*25.	<p>Seit einiger Zeit hat der Internationale Währungsfonds die Vergabe von Krediten an die hochverschuldeten Entwicklungsländer mit wirtschafts-politischen Auflagen versehen.</p> <p>Haben Sie sich mit diesen Auflagen schon mal näher beschäftigt, oder würden Sie sagen, darüber sind Sie eher kaum unterrichtet?</p>	<table border="0"> <tbody> <tr> <td>Damit näher beschäftigt</td> <td>12 ()</td> </tr> <tr> <td>Darüber eher kaum unterrichtet</td> <td>88 ()</td> </tr> </tbody> </table>	Damit näher beschäftigt	12 ()	Darüber eher kaum unterrichtet	88 ()											
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*26.	<p>Diese Auflagen sind für die Entwicklungsländer meist mit drastischen Sparmaßnahmen verbunden, die die Bevölkerung zumindest vorübergehend noch ärmer machen. Deshalb weigern sich einige der hochverschuldeten Entwicklungsländer, diese Auflage zu erfüllen.</p> <p>Was ist Ihre Meinung dazu: Soll man an diesen Auflagen festhalten oder soll man darauf verzichten?</p>	<table border="0"> <tbody> <tr> <td>Festhalten</td> <td>50 ()</td> </tr> <tr> <td>Darauf verzichten</td> <td>46 ()</td> </tr> </tbody> </table>	Festhalten	50 ()	Darauf verzichten	46 ()											
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Darauf verzichten	46 ()																
*27.	<p>Hier auf dieser Liste stehen zwei Möglichkeiten, die als Ausweg aus der Verschuldungskrise diskutiert werden. Welcher davon würden Sie persönlich eher zuneigen?</p> <p>Liste 27 vorlegen!</p> <p>A Man sollte den Entwicklungsländern die Schuldenlast aus Zinsen und Krediten ganz oder zumindest teilweise erlassen</p> <p>B Man sollte weder Zinsen noch Schulden erlassen, sondern die Krise mit neuen Krediten überbrücken, die aber mit Auflagen verbunden sind, um die Wirtschaft dieser Länder in Ordnung zu bringen</p>	<table border="0"> <tbody> <tr> <td>54 ()</td> </tr> <tr> <td>44 ()</td> </tr> </tbody> </table>	54 ()	44 ()													
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Nr.		Weiter mit																		
*28.	<p>Einmal angenommen, den Entwicklungsländern würde die Schuldenlast aus Zinsen und Krediten ganz oder teilweise erlassen.</p> <p>Was meinen Sie: Wer sollte für die erlassenen Schulden aufkommen? Sagen Sie mir bitte zu jeder Möglichkeit auf dieser Liste, ob Sie dafür oder dagegen waren.</p> <div style="border: 1px solid black; padding: 2px; margin: 10px 0;">Liste 28 vorlegen!</div> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">Dafür</th> <th style="width: 15%; text-align: center;">Dagegen</th> </tr> </thead> <tbody> <tr> <td>A Die beteiligten Banken durch Verringerung ihrer Gewinne</td> <td style="text-align: center;">(83)</td> <td style="text-align: center;">(14)</td> </tr> <tr> <td>B Die beteiligten Banken auf Kosten ihrer anderen Kunden, also durch Erhöhung der Zinsen und Gebühren</td> <td style="text-align: center;">(9)</td> <td style="text-align: center;">(88)</td> </tr> <tr> <td>C Die Industriestaaten mit öffentlichen Mitteln, also eventuell auch durch höhere Steuern</td> <td style="text-align: center;">(24)</td> <td style="text-align: center;">(73)</td> </tr> <tr> <td>D Die Industriestaaten, indem sie sich selbst höher verschulden</td> <td style="text-align: center;">(15)</td> <td style="text-align: center;">(80)</td> </tr> <tr> <td>E Eine internationale "Solidaritäts-Anleihe", an der sich alle Staaten und auch Privatleute beteiligen können, die das wollen</td> <td style="text-align: center;">(79)</td> <td style="text-align: center;">(18)</td> </tr> </tbody> </table>		Dafür	Dagegen	A Die beteiligten Banken durch Verringerung ihrer Gewinne	(83)	(14)	B Die beteiligten Banken auf Kosten ihrer anderen Kunden, also durch Erhöhung der Zinsen und Gebühren	(9)	(88)	C Die Industriestaaten mit öffentlichen Mitteln, also eventuell auch durch höhere Steuern	(24)	(73)	D Die Industriestaaten, indem sie sich selbst höher verschulden	(15)	(80)	E Eine internationale "Solidaritäts-Anleihe", an der sich alle Staaten und auch Privatleute beteiligen können, die das wollen	(79)	(18)	
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*29.	<p>Die Weltbank und der Internationale Währungsfonds tagen im kommenden Jahr erstmals in Deutschland, genau gesagt in West-Berlin.</p> <p>Finden Sie das -</p> <div style="border: 1px solid black; padding: 2px; margin: 10px 0;">Vorgaben bitte vorlesen!</div> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">- gut?</td> <td style="width: 15%; text-align: center;">86</td> <td style="width: 15%; text-align: center;">()</td> </tr> <tr> <td>- oder nicht so gut?</td> <td style="text-align: center;">9</td> <td style="text-align: center;">()</td> </tr> </tbody> </table>	- gut?	86	()	- oder nicht so gut?	9	()													
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*30.	<p>Hier auf dieser Liste steht eine Aussage über die Weltbank und den Internationalen Währungsfonds.</p> <p>Haben Sie eine solche Aussage schon einmal gehört oder hören Sie davon heute zum ersten Mal?</p> <div style="border: 1px solid black; padding: 2px; margin: 10px 0;">Liste 30 vorlegen!</div> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Schon einmal gehört</td> <td style="width: 15%; text-align: center;">21</td> <td style="width: 15%; text-align: center;">()</td> </tr> <tr> <td>Höre davon heute zum ersten Mal</td> <td style="text-align: center;">78</td> <td style="text-align: center;">()</td> </tr> </tbody> </table>	Schon einmal gehört	21	()	Höre davon heute zum ersten Mal	78	()													
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*31.	<p>Was meinen Sie, trifft diese Aussage zu oder trifft sie nicht zu?</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Trifft zu</td> <td style="width: 15%; text-align: center;">10</td> <td style="width: 15%; text-align: center;">()</td> </tr> <tr> <td>Trifft nicht zu</td> <td style="text-align: center;">75</td> <td style="text-align: center;">()</td> </tr> </tbody> </table>	Trifft zu	10	()	Trifft nicht zu	75	()													
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*32.	<div style="border: 1px solid black; padding: 2px; margin: 10px 0;">Frage 32 bis 37 entfallen!</div>																			

Informationsgrad

("Näher beschäftigt" minus "eher kaum unterrichtet" = Index)

o	Weltbank	11%	-	89%	=	-78
o	IWF	13%	-	87%	=	-74
o	Verschuldenskrise	33%	-	67%	=	-34
o	IWF-Auflagen	12%	-	85%	=	-76

Ursachen der Verschuldenskrise

("Zustimmung" minus "Ablehnung" = Index)

o	Banken zu großzügig	62%	-	35%	=	+27
o	Entw.Länder zu sorglos	70%	-	26%	=	+44
o	zu hohe Zinsen	48%	-	44%	=	+4
o	Konsum statt Investition	66%	-	29%	=	+37
o	mehr zum Nutzen der					
	Industrielländer	68%	-	27%	=	+41
o	zu geringe Zinszahlungsan-					
	strengungen	36%	-	58%	=	-22

IWF-Auflagen

("daran festhalten" minus
"darauf verzichten" = Index) 50% - 46% = +4

("für Überbrückungskredite mit Auflagen"
minus "für Zinsen(teil)-Erlaß" = Index) 44% - 54% = -10

Teilerlaß-Finanzierung

durch: ("dafür" minus "dagegen" = Index)

o	geringere Bankengewinne	83%	-	14%	=	+69
o	Kostenweitergabe an Bankkunden	9%	-	88%	=	-79
o	öffentl.Mittel/evtl.höhere Steuern	24%	-	73%	=	-49
o	Kreditaufnahme der Industriestaaten	15%	-	82%	=	-67
o	Solidaritätsanleihen	79%	-	18%	=	+61

Tagung in Deutschland, genauer Westberlin

("gut" minus "nicht so gut" = Index) 86% - 9% = +77

IWF/Weltbank schlimmer als Krieg

o	Argument gehört	21%				
o	("trifft zu" minus "trifft nicht zu" = Index)	20%	-	75%	=	-55

ATTACHMENT III

Publications in preparation for the
1988 Annual Meetings in Berlin

A. The Federal Government is preparing the following publications:

1) A short brochure (8 pages) on the Fund and the Bank for use in high schools. The brochure, which comes with a folder containing additional material for teachers, is intended to stimulate discussion among students on specific economic problems of the world economy and individual countries and measures to deal with specific problems. Prinrun: approximately 1 million.

2) An information leaflet on the Fund and the Bank for broad distribution through various channels. Contents: The Fund and the Bank and their respective roles in the world economy. Prinrun: approximately 1 million or more.

3) Information material for chief editors of approximately 800 German newspapers, including articles on the Role of the Federal Republic in the Fund and the Bank, authored by the respective Executive Directors. Prinrun: to be determined.

4) A "Testimonial" brochure, in which statements by senior officials of Third World countries on the Fund and the Bank are collected. Prinrun: to be determined.

5) A brochure describing the various international organizations, of which Germany is a member (published by the Deutsche Bundesbank). Prinrun: to be determined.

B. The Fund presently is preparing the following publications in German:

1) An introductory brochure on the Fund, its origin, structure and functions for the layman (by David Driscoll). The manuscript has already been translated into German and will be ready for printing shortly. Prinrun: to be determined, but not less than 50,000.

2) An introductory, comparative, brochure on the role and functions of the Fund and Bank for the layman (by David Driscoll). The manuscript in English will be completed shortly. Prinrun: approximately 500,000.

3) A reprint of basic articles from Finance and Development describing the roles of the Fund and Bank, with a forword that could be signed by the Managing Director and the President of the Bank (selection by Shuja Nawaz). Prinrun: to be determined.

4) A brochure containing frequently asked questions about the Fund ("myths") and the Fund's answers to them (by Ian McDonald). Manuscript to be completed shortly. Printrun: to be determined.

5) A brief technical brochure describing the Structural Adjustment Facility (SAF) and the new ESAF (by Joslin Landell-Mills). Printrun: to be determined.

6) In addition, it was felt highly desirable, if not indispensable, to have the German language version of the Fund's 1988 Annual Report ready at the same time as the English version. As an exception, proper typesetting could be used for the first two chapters rather than publish them in typewritten form, as was the case in previous years.

C. Mr. Fatoyinbo reported that the Bank is planning to offer a wide range of Bank publications in German, similar to previous years.

ATTACHMENT IV

Public Affairs Events in Preparation
of the 1988 Annual Meetings in Berlin

The German authorities are organizing, directly or indirectly, a number of events, to disseminate information on international economic questions, with the view to (1) enhance a broad understanding of the issues likely to be discussed at the Annual Meetings and (2) deflect from extreme criticism of the meetings as well as of the Fund and the Bank. The list below also contains a number of public events that form part of the regular public affairs program of the Fund and the Bank as well as events to which the Fund or the Bank have been invited.

- | | | |
|--------------|---------|--|
| March 8-11: | Berlin | Council of Europe Roundtable on the Environment, organized by the Deutsche Stiftung für Entwicklungsländer (DSE). World Bank participation. |
| April 11-13 | Bonn | Seminar for press and information officers and managers of Bund der katholischen Jugend (Association of catholic youth groups) Fund and Bank participation possible. |
| April 18: | Bonn | Informal meeting of members of the Bundestag Committee on Development Policy with high-level Fund and Bank staff.
Fund participation: Whittome |
| April 18-20: | Malente | Symposium on the international monetary system and world economic developments, organized by the Dräger-Stiftung. High-level national and international participation from academia, government, banks, industry, and press.
Fund participation: Frenkel, Russo |
| April 18-20 | Bonn | Seminar of the Arbeitsgemeinschaft der Religionspädagogischen Institute, organized by the Press and Information Office of the Federal Government.
Fund and Bank participation possible. |
| April 19-21 | Bonn | Seminar for chief editors of catholic publications, organized by the Press and Information Office of the Federal Government.
Fund and Bank participation desirable. |

- April 20-27: Hannover "Hannover Fair". The Press and Information Office of the Federal Government is maintaining an information stand, where Fund and Bank material can be distributed and talk-shows are being organized.
Fund and Bank participation requested.
- April 24-27 Berlin Seminar on Berlin as a center for North-South economic cooperation for teachers from North-Rhine Westphalia, organized by the Konrad-Adenauer-Foundation.
Fund and Bank participation desirable.
- April 25-26: Bonn Seminar on the debt crisis (working title: "Is the Debt Crisis a Precursor to a World Economic Crisis?") for journalists, organized by the Arbeitskreis entwicklungspolitischer Bildungs- und Öffentlichkeitsarbeit (AEBÖ) which is formed by 37 non-governmental organizations, including the churches, political foundations and coordinated by the German Association for the United Nations. Cosponsored by the Third World Journalists' Network and the news agency of the Lutheran Church epd.
Fund and Bank participation desirable.
- April 26-28: Bonn Seminar of the Gemeinschaftswerk der Evangelischen Publizistik (editors of Lutheran Church publications), organized by the Press and Information Office of the Federal Government.
Fund and Bank participation desirable.
- May 5-7: Hamburg Conference on National Economic Policies and their Impact on the World Economy, organized by the Fund and the HWWA-Institut für Wirtschaftsforschung, Hamburg. High-level national and international participation from academia, government, parliament, banks, and press.
Fund participation: Erb, Frenkel, Goldstein, Guitian, Hartmann, Junz
- May 8-9: Berlin Symposium on LDC Indebtedness, organized by Tageszeitung (TAZ), the major paper representing the extreme left. Prominent critics of the Fund and the Bank are likely to attack the institutions in meetings of 800-2500 participants, expected to come from the hard-core of the Fund/Bank opposition.
Fund and Bank participation desirable.

May 10-11	Bonn	Seminar for female journalists of the women's press, organized by the Press and Information Office of the Federal Government. Fund and Bank participation possible.
May 25-27	Bonn	Seminar for female members of Gewerkschaft Erziehung und Wissenschaft (teachers' union), organized by the Press and Information Office of the Federal Government. Fund and Bank participation desirable.
May 31-June 1:	Bonn	Seminar for financial journalists, organized by the Press and Information Office of the Federal Government. Fund participation possible
June 1-12:	Hamburg	Internationale Verkehrsausstellung (International Transport Fair"). Similar to "Hannover Fair". Fund and Bank participation requested.
June 10:	Major Cities	Third World Day. Senior Government Officials to address Third World problems at various meetings all over the country. Distribution of information material via schools, Third World shops, exhibitions, etc. Major coverage in all media (press, radio, TV).
June 15:	Berlin	Meeting of Parliamentarians and other influentials with senior Bank staff. Fund participation desirable.
June 20/21:	Berlin	Conference on the Problem of External Indebtedness of LDCs, organized by the Gemeinsame Konferenz Kirche und Entwicklung (GKKE) of the Protestant and Catholic Churches. 120-150 participants from the churches, political parties, banks, press. Fund participation: Hartmann
June 22-24	Bonn	Seminar on development policy for secondary and vocational school teachers, organized by the Konrad-Adenauer Foundation. Fund and Bank participation desirable.
June 22-24:	München	Seminar of the Institut zur Förderung publizistischen Nachwuchses (young editors), organized by the Press and Information Office of the Federal Government. Fund and Bank participation desirable.

- Late August: Bad Boll Conference on the Problem of LDC Indebtedness, organized by the Evangelische Akademie Bad Boll, of the Protestant Church. Participants from the Protestant Church, major banks, parliament, a large debtor country (Mexico ?), and the press.
Fund and Bank participation desirable.
- Aug 26-Sep 4: Hamburg "Du und Deine Welt" (Consumers' Fair). Similar to "Hannover Fair".
Fund and Bank participation requested.



Office Memorandum

Mr. Russo
mk

September 30, 1987

MEMORANDUM FOR FILES

SUBJECT: Public Relations for the 1988 Annual Meetings

At a luncheon hosted by Mr. Van Houtven for Mr. Hans Tietmeyer, State Secretary, FRG, the need for preparing public opinion ahead of the Berlin meetings was discussed. Others present were Messrs. Grosche and Boehmer, Executive Directors, Dr. Klemm (Ministry of Finance, FRG), Mr. Julian Grenfell, Acting Vice President, External Relations (Bank), Mr. Sven Burmester, Deputy Secretary (Bank) and Mr. A. Mohammed (Fund).

Mr. Tietmeyer noted that there were three critical groups in the country to be concerned about:

(1) Those who take anti-IMF/Bank positions on the basis of misinformation or lack of information. This is true particularly of the Churches--both Catholic and Protestant groups. These critics attribute to these institutions responsibility for the growing misery of the poor in the LDCs, based on reports they receive from affiliated churches in foreign countries, especially in Latin America; their animus against the Fund is especially strong.

(2) Well-informed persons, especially those belonging to the "Green" parties who have detailed information but use it for strictly political purposes; they are constantly raising questions in the Federal Parliament and elsewhere about FRG support for particular transactions in specific countries; and

(3) Radical or fringe groups, usually of Marxist leanings, that are not interested in the facts but determined to use every opportunity to create disruption and use trained provocateurs to convert even simple demonstrations on civic issues into violent clashes with the authorities; these groups are especially active in Berlin.

Mr. Tietmeyer stated that the third group was a matter for the police. The first two groups, however, would need to be addressed through a concerted public relations exercise and it was this that he wished to discuss with Fund/Bank staff.

Mr. Mohammed (IMF) referred to a memorandum dated August 21, 1987 prepared by Mr. Hellmut Hartmann, the Fund's Chief Information Officer, on the basis of recent visits to the FRG and developing certain ideas on how a public education program could be implemented (attached). Mr. Grenfell expressed general support for the Hartmann ideas and noted that the Bank was thinking of several ways of preparing for the Meetings. Among them was the assignment of one of the best information people in the Bank--Mr. A. Fatoyinbo of Nigeria--to the Bank's Office in Europe. Mr. Fatoyinbo speaks fluent German. Mr. Tietmeyer welcomed the assignment and added that while knowledge of German was desirable, it was not to be regarded as essential.

The discussions that followed were summed up by Mr. Van Houtven as follows:

(1) The leadership for a public affairs program would have to come from the German authorities. The Fund and the Bank could assist, within their staff constraints, in implementing a plan of action drawn up by the authorities and could make suggestions for its improvement;

(2) The institutions would look into their staff availabilities to find a few persons who could be made available, from time to time, for participating in seminars, discussion groups, or other events to be arranged by the German authorities. There were, however, limits on the usefulness of staff deployment as any high profile participation could attract the same public suspicion as would attach to the work to be done by German officials and other establishment figures.

(3) It was important to identify personalities in developing countries with direct experience of working with IMF/World Bank programs who could be invited by the German authorities to take part in explaining the positive role played in their countries by the institutions; the Fund/Bank staff would also try to identify such persons;

(4) It was essential to develop a publications program directed at different audiences to explain the work of the institutions. On an audio-visual program, Mr. Tietmeyer expressed caution partly on the ground that the authorities could not influence the selection of programs on television and partly because of a certain inclination of the public to regard film as an instrument of propaganda.

(5) Time was short and it was important to quickly identify the German counterpart with whom the Fund/Bank staff could maintain contact. While Dr. Klemm was in overall charge of the arrangements (with a budget of around DM30 million), the name of the contact for public relations purposes would be notified within the next few days.

Azizali F. Mohammed

Attachment

cc: The Deputy Managing Director

Mr. Frenkel
Mr. Ouattara
Mr. Van Houtven
Mr. Whittome

Mr. Beza
Mr. Laske
Mr. Narvekar
Mr. Rea
Mr. Russo ✓
Mr. Shaalan
Mr. Tanzi
Mr. Zulu
Paris Office
Geneva Office
Mr. Simpson

Outline of a Public Affairs Program
for the 1988 Annual Meetings in Berlin (West)

This memorandum responds to concerns that the 1988 Annual Meetings of the Fund and the World Bank in Berlin (West) could meet massive public criticism in the Federal Republic of Germany and in Berlin. According to some indications, radical groups of all sorts are preparing for a series of events and demonstrations at the time of the Berlin Meetings that could be highly aggressive and critical of the Bretton Woods institutions. It is the purpose of this note, which is being prepared at the informal request of the German authorities, to present ideas that could form part of a public affairs program intended to deal with the criticism.

I. Perception of the Bretton Woods Institutions in the German Public

Although it is my view that a majority of those who know or have heard about the two institutions generally view them in a rather favorable light, there is what seems to be a strong and vocal minority having quite a different perception. This minority perceives the Fund and, to a similar degree, the Bank, as tools of the industrial (U.S. dominated) countries interfering in the internal affairs of poor Third-World countries. The Fund's role in particular is seen as that of an agent imposing harsh "austerity" measures hitting the poor, raising prices of essential food items, cutting social programs while turning a blind eye to large build-ups of military forces, dismissing large parts of the labor force, strengthening dictatorial regimes, while at the same time undermining Third World leaders striving for social justice and common welfare. The Fund, in this view, has become unacceptable to many poor countries, and "anti-IMF riots" have become commonplace.

Obviously, the strength of this segment of public opinion will need to be assessed using whatever opinion polls may have been undertaken in the past or may become available as part of the planning exercise for a public affairs program in preparation for the 1988 Annual Meetings. In the absence of more precise information on the image of the Fund and Bank in Germany, therefore, the ideas presented in this memorandum are tentative, and somewhat limited in scope, as they are based on sketchy observations by the author.

II. What Needs to be Done?

Because of deep-rooted convictions held by the vocal minority, it is probably not possible to change the lop-sided perception of the extreme critics, at least not in the time left until the 1988

Meetings. Consequently, some expression of dissatisfaction with the Bretton Woods institutions will have to be tolerated and, if this expression takes the form of demonstrations, such manifestations will have to be prepared for, so that they are not allowed to disrupt the Meetings. However, what seems possible, and important, to achieve through a special public affairs program is to prevent the lop-sided view of the vocal minority from significantly spreading to and influencing the other parts of the public.

The target group for any public affairs program therefore appears to be the part of the public whose perception of the Bretton Woods institutions range from mildly positive over neutral to mildly negative. Subject to a cross-check with the results of any poll, this group probably includes all age groups from 16 years upwards, people from all walks of life, and almost everyone having an interest in politics, the local economy, and economic conditions abroad.

The next question that must be addressed relates to the message, or theme, that is to be conveyed in any public affairs program in preparation of the 1988 Annual Meetings.

It would probably be a mistake to consider the organizational aspects of the Meetings (e.g., "Berlin prepares to host mammoth meeting of financial leaders of the world") as the sole or main message (although questions on this subject are being asked and will need to be answered fully), as the question of organization appears shallow in light of the seriousness and fierceness of the criticism leveled against the institutions.

To build a public affairs program on a systematic approach to educating the public about the institutions themselves ("What they are, and what they do") seems to be a better alternative, as much of the known criticism is based on a lack of information or misinformation about the two institutions. Therefore, the more that is known about the Fund and the Bank and the better they are understood, the more public support they will receive prior to and during the Meetings in Berlin. However, as welcome and necessary as such an approach would be, there is a question whether building a program on better educating the people about the institutions alone is sufficient.

The problem with such an approach if it were pursued alone is that its scope may be too narrow to capture the interest of a wide enough public to change existing perceptions. Generally, messages about institutions generate only marginal interest. Also, given the complicated and highly technical nature of the Bank and, even more so, of the Fund, it is possible that the "message" remaining with the target group will be only half-understood. Thus, the danger arises that existing "half-truths", or misconceptions, about the institutions may eventually be reconfirmed rather than corrected.

For these reasons, it appears worthwhile to consider yet

another approach, which would better ensure that the message does not get garbled in the process of communication. This approach would rely more on addressing issues and problems than on merely trying to explain institutions which are difficult to understand anyway.

Among the basic messages for such "problem-oriented" or "integrated" approach, e.g., could be:

First basic message: "The world economy is beset by a number of difficult problems (slow growth, unemployment, exchange rate instability, poverty, debt, etc.), which all have an effect on the day-to-day life of every German citizen. It is vitally important that these problems are addressed effectively."

Introducing this theme, logically leads to a discussion of possible solutions, which could form the content of a

second basic message: "The Federal Government is committed to tackle these problems, and is doing so in a number of ways. Among them are Germany's membership in two worldwide financial institutions, whose primary purpose is international economic cooperation."

This, in turn, would enable the discussion of the respective roles of the two institutions in a

third basic message: "The world needs a stable monetary system to facilitate the expansion of international trade and better living standards in the world. Through its membership in the IMF, the Federal Government is cooperating with other nations to assure stability in the world's financial system, on which prosperity for all can be built."

And, parallel to that, a

fourth basic message: "The improvement of living conditions in Third World countries and the development of their productive resources is one of the challenges of this century, both for the good of the developing countries and to promote the health of the global economy. Through its membership in the World Bank, the Federal Government is working effectively with Third World nations to overcome poverty and underdevelopment."

The integrated approach allows the development, as deemed needed and appropriate, of an almost infinite number of sub-messages which have one thing in common: They all are problem-oriented, and they all appeal to the enlightened self-interest of German citizens. The problem-orientation is desirable as it encourages the critical mind to embark on an effort to find solutions (rather than merely discard existing institutions or approaches), and the German angle is important

to convey that German membership matters (and that it is only natural for Germany to host a key policy making meeting of the two institutions which are effectively seeking solutions to the world's problems).

III. How Can it be Done?

Without any question, a public affairs program in preparation of the 1988 Annual Meetings will be most effective if it is undertaken by the German authorities. The Fund and the Bank can assist, if this were found to be helpful. But the main thrust would have to come from the host country's side. The following enumeration of possible actions is by no means a complete one.

1) Enhanced Relations with the Media. Over the next twelve months, a systematic effort could be undertaken to increase awareness of global economic problems among the German media (print, radio, TV).

a) The existing excellent contacts with financial correspondents and editors should be broadened to include chief editors and publishers with a view to sharpen their awareness of these problems and the important role the Federal Republic is playing at the international level in finding solutions.

A series of luncheon meetings, say, in Berlin, Hamburg, Düsseldorf, Bonn, Frankfurt, Stuttgart, and Munich, hosted by the authorities, with Fund and Bank German-speaking staff could be organized in late Winter or early Spring to discuss current world economic problems, the Meetings and the institutions with chief editors, editorial writers, broadcast program directors, to spark their thoughts and interest in coverage. This would combine promotion of the Meetings with the problem-oriented approach.

b) The willingness of key personalities (at the national and international level) to author articles on global economic problems in the quality press (Zeit, Frankfurter Allgemeine Zeitung) or grant interviews could be signaled to the electronic media and the press (Spiegel-Gespräch with Camdessus).

c) A small number of seminars on precisely defined topics (such as "The debt situation in Third World countries", "Coordination of economic policies in the major industrial countries", etc.) for German financial writers with a few correspondents invited from overseas could be arranged to take place in Berlin, say, starting with the Spring of 1988, with high-level officials from both the German authorities and the Fund and the Bank participating.

d) Serious economic journalists could be invited to a trip of Third World countries to review progress under World Bank project lending programs.

e) The existing policy of inviting German financial correspondents to accompany the German delegations to IMF/World Bank ministerial-level meetings could be extended on the occasion of the 1988 Spring meetings.

f) The production of at least two TV-documentaries (ARD and ZDF) on global economic problems, perhaps emphasizing the debt-problems of the low-income countries, could be encouraged with the view to airing the shows a few weeks before the 1988 Annual Meetings.

g) Key global economic data, e.g., major global imbalances, external debt figures, etc. as well as progress made in tackling major problems such as inflation, could be systematically provided to the print media by using charts and graphical presentations (Globus-Kartendienst, etc.) along with the respective text captions.

h) Information staff of both the Fund and the Bank could make themselves increasingly available to the German media prior to the 1988 Annual Meetings. In this connection, a number of press visits to Germany and Berlin have already been planned by both the Bank and the Fund.

2. Direct Contacts with the General Public. To be effective, the program should go beyond enhanced contacts with the media, to undertake a variety of direct contacts with the public, particularly through various groups, e.g. academics, church groups, and other NGOs.

a) High-level officials at the national and international level should be available to discuss global economic problems, in particular debt issues and the concept of conditionality, with academic and non-governmental groups, to affect the thinking of these critically influential parts of the German public. Apart from responding to invitations from such groups directly, it might be useful to seek the assistance of "neutral" organizations such as universities, research institutes, or the local U.N. Association, as vehicles to organize an exchange of views. Media coverage of these events should be ensured.

b) In addition to enhanced media contacts, which are aimed at editorial content, messages could be brought to the public directly by using paid advertisements in the mass media (Stern, Bild-Zeitung) to convey simple messages. Such messages would probably be most productive if they were non-controversial (emphasizing, e.g., the Fund's role in bringing about currency convertibility, thus making virtually unrestricted travel, trade, and investment a reality).

c) A further vehicle of direct contacts with the public is the provision of brochures and leaflets, written in non-technical language, to schools, NGOs, and others potentially interested in the Fund and the Bank.

d) The film on the Fund ("Blickpunkt IWF--Wie der Währungsfonds

arbeitet"), which is presently being updated, is another vehicle to reach out to the interested layman. Copies of the film in various formats could be most usefully distributed along with simple-language information material mentioned above.

e) In planning direct contacts with the public, audiences in Berlin should be included as much as possible.

If it were decided to carry out a strategy along the lines suggested, it would be desirable to establish a central coordinating office in Bonn, permanently staffed for one year. The coordinating task could be done by a public relations professional most effectively, who would need to be supported by more substantive expert persons from the Finance Ministry, the Economic Cooperation Ministry, and the Bundesbank. The Fund or the Bank could, if this were felt desirable, appoint a liaison person to assist with the work of the central office.

Hellmut Hartmann
August 21, 1987

BERLIN 1988

European Country Documents

SM/88/110	Australia - Staff Report
SM/88/120	Australia - RED
SM/88/73	Austria - Staff Report (Interim)
SM/88/75	Belgium - Staff Report
SM/88/79	Belgium - RED
SM/88/171	Cyprus - Staff Report (Interim)
SM/88/77	Denmark - Staff Report
SM/88/81	Denmark - RED
SM/88/138	Finland - Staff Report
SM/88/144	Finland - RED
SM/88/182	France - Staff Report
SM/88/199	France - RED
Buff 88/137	Germany - Statement by Mr. Grosche on Board meeting
SM/88/136 + Sup.1	Germany - Staff Report
SM/88/143 + Sup.1	Germany - RED
SM/87/185	Greece - Staff Report
SM/87/228 + Sup.1	Greece - RED
EBS/88/47 + Sup.1	Hungary - Staff Report and Request for Stand-by
SM/88/62	Hungary - RED
EBS/88/174	Hungary - Review Under Stand-by Arrangement
EBS/88/114	Iceland - Exchange Arrangements
SM/87/289 + Sup.1	Iceland - Staff Report
SM/88/14	Iceland - RED
SM/88/169	Ireland - Staff Report (Interim)
SM/88/114 + Sup.1	Israel - Staff Report (Interim)
SM/88/22 + Sup.1	Italy - Staff Report
SM/88/34 + Sup.1	Italy - RED
SM/87/136	Luxembourg - Staff Report
SM/87/146	Luxembourg - RED
SM/88/164	Malta - Staff Report
SM/88/197	Malta - RED
SM/88/11	Netherlands - Staff Report
SM/88/20	Netherlands - RED
SM/87/242	Netherlands Antilles - Staff Report
SM/87/244	Netherlands Antilles - RED
SM/88/115	New Zealand - Staff Report
SM/88/128	New Zealand - RED
SM/87/145	Norway - Staff Report
SM/87/157	Norway - RED
SM/88/175	Poland - Staff Report
SM/88/184	Poland - RED
SM/88/146	Portugal - Staff Report
SM/88/152 + Sup.1	Portugal - RED
SM/87/174	Romania - Staff Report
SM/87/197	Romania - RED
SM/88/186	South Africa - Staff Report
SM/88/200	South Africa - RED
SM/88/69	Spain - Staff Report
SM/88/95	Spain - RED

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SM/88/149	Sweden - Staff Report
SM/88/153	Sweden - RED
SM/88/140 + Sup.1	Turkey - Staff Report
SM/88/150	Turkey - RED
SM/88/28	United Kingdom - Staff Report
SM/88/38 + Sup.1	United Kingdom - RED
SM/88/273	Yugoslavia - Report on External Debt Renegotiation
SM/87/187 + Sup.1	Yugoslavia - Staff Report under Enhanced Surv.
EBS/88/89	Yugoslavia - Letter of Intent
+ Sup. 1-5	Yugoslavia - Staff Report and Request for Stand-by
SM/88/109	Yugoslavia - RED

Miscellaneous

Kettle
Tea bags
2 mugs
WordPerfect Instruction book
Invitations
Visitors and Special Guest Lists
Advisory Committee Meeting folder

Policy and Non-European Country SM Documents

SM/87/151	Publication of Paper on Theoretical Aspects of the Design of Fund-Supported Adjustment Programs
SM/88/39 + Sup.1	Annual Review of the Implementation of Surveillance and Biennial Review of the Document Entitled "Surveillance over Exchange Rate Policies"
SM/88/53	Fiscal Aspects of Fund-Supported Programs
SM/88/59	Official Multilateral Debt Rescheduling: Recent Experience
SM/88/61	Issues in the Reports of the Group of Ten and Group of Twenty-Four on the Role of the Fund - Progress Report on the Status of Work
SM/88/148	Enhanced Structural Adjustment Facility (ESAF) - Operational Guidelines for the Staff
SM/88/158	European Communities (EC) - New Directive on the Liberalization of Capital Movements
SM/88/160 + Sup. 1	United States - Staff Report
SM/88/162 + Sups. 1-3	United States - RED
SM/88/163	International Liquidity and the Role of the SDR
SM/88/166 + Sups. 1-3 + Corrs.	Trade Policy Issues and Developments
SM/88/167	The Industrial Policies of Industrial Countries and Their Effects on Developing Countries
SM/88/176	International Banking Activity in the First Quarter of 1988
SM/88/180	World Economic Outlook - Statistical Appendix
SM/88/181 + Cor. 1	World Economic Outlook - Annexes
SM/88/183	International Coordination of Economic Policies
SM/88/194	Exchange Rate Arrangements Maintained by Members as of June 30, 1988

Policy and Non-European Country EBS Documents

EBS/88/5	Issues in the Debt Strategy
EBS/88/6	The Implications of Fund-Supported Adjustment Programs for Poverty - Experiences in Selected Countries
EBS/88/7 + Sup.1	Reconsideration of the Extended Fund Facility
EBS/88/13	Legal Effects of Approval or Nonapproval of Exchange Restrictions by the Fund
EBS/88/20	Review of the Compensatory Financing Facility - Further Considerations
EBS/88/30 + Sup.1	External Contingency Mechanisms in Fund Arrangements - Preliminary Considerations
EBS/88/49	Review of the Fund's Liquidity and Financing Needs
EBS/88/50	Conditionality - A Survey of Current Issues
EBS/88/51	The Use of Limits on External Debt in Fund Arrangements
EBS/88/55	Management of the Debt Situation - Developments, Issues, and Role of the Fund
EBS/88/65 + Sup.1	The Policy Framework Paper (PFP) - Seminar on the PFP and Aid Coordination and Related Issues
EBS/88/95	Extended Fund Facility and Policy on Enlarged Access - Amendments
EBS/88/98	Information Note on the Secondary Market, Mexican Debt Exchange and Bolivian Buy-Back
EBS/88/100	Modalities for the Compensatory and Contingency Financing Facility
EBS/88/123	Overdue Financial Obligations to the Fund
EBS/88/124	Overdue Financial Obligations to the Fund - Statistical Background and Existing Fund Policies
EBS/88/126	Brazil - Stand-by Arrangement - Letter of Intent
EBS/88/128	Draft Decision Relating to Compensatory and Contingency Financing

EBS/88/129	Structural Adjustment Facility - Third-Year Access
EBS/88/137	Policy for IBRD Loan Loss Provisioning - President's Memorandum
EBS/88/146 + Sup.1	Proposed Decision Relating to the Compensatory and Contingency Financing Facility
EBS/88/150	Enhanced Structural Adjustment Facility - Proposed Prescriptions of Operations in SDRs
EBS/88/157	Access Limits for 1989 - Preliminary Policy Considerations
EBS/88/158	Review of Access Limits for the Buffer Stock Financing Facility for 1989
EBS/88/159	Issues in Managing the Debt Situation
EBS/88/160	Staff Note on Issues Relating to Access Limits and the Calculation of Fund Financing in the Compensatory and Contingency Financing Facility
EBS/88/164	Overdue Financial Obligations to the Fund - Statistical Update
EBS/88/165	Review of the Fund's Liquidity - Financing Needs and Financial Considerations for Access Policy in 1989
EBS/88/166 + Rev. 1 + Rev. 2	Draft Report of the Executive Board to the Interim Committee of the Board of Governors on Overdue Financial Obligations to the Fund
EBS/88/167	World Economic Outlook - Prospects and Policy Issues
EBS/88/171	Enhanced Structural Adjustment Facility (ESAF) - Progress Report on Operations

EBDs

EBD/88/140	United States - Address by Treasury Secretary Baker
EBD/88/144	Proposals on Extending the Policy Framework Paper (PFP) Process to Middle Income Debtors
EBD/88/168	Toronto Summit - Extract of a Letter by President Mitterand
EBD/88/174	1988 Economic Summit - Toronto Economic Declaration

EBD/88/204	Foreign Exchange and Financial Markets in June 1988
EBD/88/205	Recent Exchange and Financial Market Developments
EBD/88/226	Charts on Exchange Market Developments
EBD/88/231	Gold Prices in World Markets in July 1988
EBD/88/246	Background Material on Exchange Rate Developments
EBD/88/249	Recent Exchange and Financial Market Developments
EBD/88/253	Charts on Exchange Market Developments

Buff Documents

88/126	Chairman's Summing Up of Discussion on the Compensatory and Contingency Financing Facility
88/128	Statement by the Managing Director on Work Priorities after the 1988 Annual Meetings
88/157	Acting Chairman's Summing Up at Conclusion of Discussion on Third-Year Access Under the SAF
88/163	Statement by Mr. Dallara on the United States
88/172	Chairman's Concluding Remarks at the Discussion on Issues in Managing the Debt Situation
88/173	Chairman's Personal Comments on the Debt Situation
88/175	Chairman's Summing Up on Discussion of Managing Director's Aide Memoire on the Size of the Fund and on the Share of the Developing Countries in the Fund - Committee on the Whole of the Ninth General Review of Quotas
88/179	Chairman's Summing Up at Conclusion of Discussion on Access Limits for 1989, Review of Access Limits for the Buffer Stock Financing Facility, and Review of the Fund's Liquidity
88/180	Chairman's Summing Up at Discussion by the Committee of the Whole for the Development Committee on the Joint/Fund Staff Report on Poverty Issues

Massimo Russo
Director
European Department
International Monetary Fund

Development Committee Documents

EB/CW/DC/88/2	Development Committee - Annual Report
EB/CW/DC/88/4	The Industrial Policies of Industrial Countries and Their Effects on Developing Countries - Summary and Issues for Discussion
EB/CW/DC/88/5	Industrial Policies of Industrial Countries - Impact on Developing Countries
EB/CW/DC/88/7	Strengthening the World Bank's Poverty Focus - Future Directions
EB/CW/DC/88/9	Joint Bank/Fund Staff Report on Poverty Issues

Quota Documents

EB/CQuota/88/5	Ninth General Review of Quotas - Alternative Calculations of the Size and Distribution of Increases in Quotas
EB/CQuota/88/7	Ninth General Review of Quotas - The Share of the Developing Countries in the Fund
	A Proposal for a Debt Adjustment Facility - Draft for Discussion
	Ninth General Review of Quotas - The Size of the Fund

Books

Directory of Members, Quotas etc.
Ten Misconceptions About the IMF
What is the International Monetary Fund
The IMF and the World Bank How Do They Differ?
Helping the Poor, the IMF's New Facilities for Structural Adjustment
Information on Filing Application for Membership
Admission to Membership in the International Monetary Fund - Manual of Procedures
By-Laws, Rules and Regulations, IMF
Articles of Agreement
Selected Decisions of the IMF and Selected Documents, Thirteenth Issue
Bulletin of the European Communities, Supplement 2/86 Single European Act
World Development Report 1988
Multilateral Official Debt Rescheduling - Recent Experience, May 1988

Massimo Russo
Director
European Department
International Monetary Fund

OECD Economic Outlook, No. 43, June 1988
Exchange Arrangements and Exchange Restrictions Annual Report 1988

Miscellaneous

Plastic cups
Personalized note pads (4)
Calling cards
Compliment slips

Folder of log sheets and forms
MD/DMD letter head and envelopes

European Department briefing books - M. Russo, P. de Fontenay
European Department briefs

Folders/papers on:

- G5/G7
- World Economic Outlook
- Development Committee
- Group of Ten
- Interim Committee
- G24
- Nordic visit
- USSR/Czechoslovakia
- European Department country memoranda

ADDITION TO LIST OF PAPERS IN BOXES FOR WASHINGTON

Delegation List
Telephone Directory
Annual Meeting documents
Development Committee documents
Interim Committee documents
G24 documents
G10 documents
G7 documents
Papers for Italian conference (Parma, Italy)