

Messrs. Luxford and Brenner

April 26, 1946

E. F. Rains

Proposed employment contract for Managing Director of the Fund.

Reference is made to Mr. Brenner's memorandum dated April 24, 1946, addressed to Mr. Luxford, with respect to the proposed contract for the Managing Director of the Fund. I agree that a letter form of contract would probably be desirable. I have the following feelings with respect to the changes which are recommended in Mr. Brenner's numbered paragraphs:

1. I have no strong feeling about the "whereas" clauses and they might well be eliminated, particularly if a letter form of contract is adopted.
2. I agree with this change.
3. I agree with the change made - with the reservation that it might be desirable to eliminate this paragraph entirely.
4. I am inclined to think that the Managing Director has a pretty good thing already and that it is not necessary for him to receive compensation during the two year period that follows his term of office, after all he is not foreclosed from all gainful employment during this time. Consideration might be given to allowing the prior approval of the appropriate officials of the Fund to act as a waiver with respect to the Managing Director taking a specific job or jobs.
5. I agree with this change.
6. I agree with this change.
7. I think the original paragraph 11 of the contract covered the first and last years of the contract as adequately as the present provision. I agree that it was not simple but I feel that the new provision is equally confusing. I further feel that the new provision has a potential source of difficulty in that it contains a flat agreement to pay all of the Managing Director's taxes and the limiting conditions are not sufficiently explicit. Paragraph 12 of the contract hangs on such determination as may be made with respect to paragraph 11.
8. I agree with this change.
9. I agree with this change. Consideration should be given to whether such payment should be in a lump sum or by instalments.

Perhaps consideration is also necessary as to the time of making reimbursement for taxes assessable against this income.

10. I agree with the change made in this paragraph except with respect to payment for accrued and unexpended leave. I am inclined to believe that there should be no payment for accrued leave and feel that perhaps a provision for reasonable vacation may, on the whole, be more desirable than a vacation which specifically sets forth the number of days which are allowed.

11. See my comment with respect to 10.

12. I agree with the suggested change.