

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

CONFIDENTIAL

COMMITTEE ON EXECUTIVE BOARD ADMINISTRATIVE MATTERS

Meeting 76/6  
July 1, 1976

A. Kafka, Chairman

Executive Directors

S. Jagannathan

R. J. Whitelaw

Alternate Executive Directors

A. Malek, Temporary

E. Sacerdoti, Temporary

P. Kent

K. F. Magurn, Secretary

Also Present

F. K. Hussein, Temporary

B. J. Drabble

R. Gavalda

H. R. Monday

Administration Department: P. N. Kaul, Deputy Director;  
J. D. Harrington. Secretary's Department: J. A. Kay,  
E. C. Shinn. Treasurer's Department: I. A. Temizer.  
Advisor to Executive Director: J. K. E. Cole. Technical  
Assistants to Executive Directors: I. M. Cobbold,  
J. M. Cock Londoño.

1. MISS BATLIWALLA'S RETURN TO INDIA

The Committee members discussed a proposal by Mr. Jagannathan relating to Miss Batliwalla's return to India (EB/CAM/76/14, 6/29/76).

Mr. Jagannathan commented that although the circumstances that had prompted his proposal might recur in the future, he was not proposing that the Committee should try to find a solution for the general problem at the present meeting.

Mr. Kent agreed that misfortunes of the type described by Mr. Jagannathan were bound to occur from time to time because accidents could happen in the period between resignation and return to a home country. Any large employer ought to be able to make provision for cases like the present one. He would certainly support Mr. Jagannathan's proposal; as a matter of interest, he would like to hear the precedents.

The Deputy Director of the Administration Department replied that there was in fact no exact precedent. However, in 1948 Mr. Bruins, then an Executive Director, had died after a long illness, and the Executive Board had decided to make an ex gratia payment of \$10,000 to his widow, who was in straitened circumstances and had to meet dollar payments.

Mr. Whitelaw said that he would support Mr. Jagannathan's proposal.

Mr. Malek observed that he was sympathetic to the proposal. However, for clarification he inquired whether, for official purposes, Miss Batliwalla was deemed to have re-entered the service of the Government of India, and whether that Government would not assume some responsibility for her.

Mr. Jagannathan agreed that Miss Batliwalla would before long be returning to her employer in India, the Reserve Bank. However, that was no precedent for the present situation; in India after an accident the full medical costs would be met under the employer's local medical coverage scheme, and of course living costs would be covered by the ordinary leave salary. But with the accident victim being in the United States the situation was very different. Apart from the fact that there would be expenditure in U.S. dollars, the high cost of medical attention in the United States would not be comparable with the relief that would be available in India.

Mr. Malek, Mr. Sacerdoti, Mr. Monday, Mr. Gavalda, and Mr. Drabble, along with Mr. Kafka speaking as a member of the Committee, supported Mr. Jagannathan's proposal.

Mr. Kafka, speaking as Chairman, reported that the Deputy Managing Director had suggested to him that it might be useful, as a method of avoiding such cases, to try to persuade technical assistants, Advisors to Executive Directors, Alternate Executive Directors, and Executive Directors to arrange for their departure from the United States to coincide with the end of their employment with the Fund. Naturally, it was not always possible to act in the way suggested by the Deputy Managing Director, but Executive Directors and their staffs could be encouraged to make an effort to do so.

Mr. Jagannathan remarked that he would like to consider the Deputy Managing Director's proposal further.

Mr. Kafka observed that the Committee would have to report to the Executive Board, proposing that the equivalent of three months' salary for Miss Batliwalla should be made available. He did not foresee any difficulty.

The Committee members agreed to the action proposed by the Chairman.

2. SHIPMENT OF PERSONAL EFFECTS - REQUEST BY MR. GAVALDA

Committee members considered a memorandum containing a request from Mr. Gavalda regarding the shipment of his personal effects by air (EE/CAM/76/13, 6/29/76).

Mr. Gavalda noted that the total weight of his intended shipment was 1,500 lbs., rather than 1,000 lbs. as shown in his memorandum.

The staff representative from the Administration Department explained that the rules governing the weight or volume of personal effects that might be sent by Executive Directors by air were not rigid. For the staff the rule was, weighed on a gross basis, 200 lbs. for each staff member and 100 lbs. for each dependent, in addition to the entitlement for transportation by sea. In Mr. Gavalda's case, the entitlement would be for 700 lbs.

Mr. Jagannathan thought that he could agree to the proposal. As a general issue, the rule could be relaxed, allowing Executive Directors to send their personal effects by air if the cost of doing so was no more than half the maximum theoretical entitlement. Mr. Gavalda's particular case would fall within such a general rule.

The Chairman explained that Mr. Gavalda's actual entitlement would be \$14,000 plus the cost of sending 700 lbs. of personal effects by air. In fact, as he understood it, Mr. Gavalda would not use any of his sea shipment entitlement.

Mr. Malek commented that as long as the cost of sending Mr. Gavalda's effects by air did not exceed the entitlement described by the Chairman, he would have no objection to the proposal.

Mr. Sacerdoti said that he too would support Mr. Gavalda's request. Mr. Jagannathan's proposal seemed rather rigid. While he would favor a general rule, it should not be very restrictive.

Mr. Kent stated that Mr. Gavalda's request caused him no difficulty. It might be useful to formulate a rule for the future. Before doing so it would be essential to know the difference in cost between air shipment and sea shipment.

The staff representative from the Administration Department explained that the cost of shipping by air the 700 lbs. to which Mr. Gavalda was entitled would be \$1,265. The cost of shipping the balance of his personal effects--800 lbs.--by sea would be \$1,239. The additional cost for sending all his personal effects by air would therefore be marginal.

Mr. Kent commented that in those circumstances Mr. Jagannathan's rule might be more restrictive than necessary. Perhaps the best procedure would be to agree to Mr. Gavalda's request and then to examine a more general rule at greater leisure.

Mr. Whitelaw remarked that he could approve Mr. Gavalda's request. However, not enough was yet known for the Committee to make a decision on a general rule. If, as appeared to be the case, it cost no more to ship personal effects by air than by sea, there might after all be no need for any rule at all. On the other hand, he could see that there might be a question of appearances. In the circumstances, the best thing might be to invite the staff to consider the matter further and to prepare a paper for consideration by the Committee at a later date.

Mr. Jagannathan observed that the Committee could certainly decide any individual cases; it was only proposed decisions of general applicability that should be submitted to the Executive Board.

Mr. Gavalda observed that he was in fact entitled to an allowance of \$14,000 for shipment by sea plus \$1,265 for shipment by air. The actual expenditure for shipping all his personal effects by air would be in the neighborhood of \$3,500, so that the total outlay would be far below his theoretical entitlement. Perhaps a formula could be chosen that would place a ceiling on the theoretical cost of the shipment of personal effects while allowing an Executive Director to choose whether his effects were sent by sea or by air.

Mr. Drabble remarked that he could support Mr. Gavalda's request. As to changing the general rule, it would be useful to know first how often the maximum entitlement was in fact drawn. If many Executive Directors used nearly the whole of the theoretical maximum, he would support a liberal general rule on air shipment. But if the outlay on the shipment of personal effects was far below the theoretical entitlement, some other rule might be preferable. The maximum, after all, had to be based on those living the greatest distances from Washington.

Mr. Whitelaw commented that, while in Mr. Gavalda's case shipping all his personal effects by air would cost less than the maximum entitlement by sea, to ship them all by sea would still cost less than sending them by air. The point was perhaps worth taking into account.

Mr. Monday observed that shipment by sea to certain parts of the world was likely to bring with it considerable hidden costs, such as breakage, insurance and the like.

The Chairman, summarizing the discussion, noted that the Committee members had agreed to Mr. Gavalda's request. They would invite the staff to examine the possibility of writing a general rule along the lines proposed by Mr. Jagannathan, Mr. Whitelaw and Mr. Drabble. The Committee members seemed to feel that the Fund ought not to mind whether personal effects were shipped by sea or by air provided shipping by air did not unreasonably burden the Fund.

The Committee members agreed with the summing up by the Chairman, and adjourned at 11:35 a.m.

APPROVED: October 19, 1976