The Role and Governance of the IMF: Further Reflections on Reform

Panel Discussion

Stanley Fischer, Trevor Manuel, Jean Pisani-Ferry, and Raghuram Rajan

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THE PER JACOBSSON LECTURE

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Foreword

The second event organized by the Per Jacobsson Foundation in 2008 took place on Sunday, October 12, in the auditorium of the International Finance Corporation in Washington, D.C., in the context of the Annual Meetings of the International Monetary Fund and the World Bank. It was a panel discussion, "The Role and Governance of the IMF: Further Reflections on Reform." The panelists were Stanley Fischer, Governor of the Bank of Israel; Trevor Manuel, Finance Minister of South Africa; Jean Pisani-Ferry, Director of the think tank Bruegel in Brussels; and Raghuram Rajan, Professor of Finance at the University of Chicago Graduate School of Business. The discussion was moderated by Andrew Crockett, Chairman of the Board of Directors of the Foundation.

The Per Jacobsson Foundation organizes lectures or panel discussions annually on the occasion of the IMF–World Bank Annual Meetings. From time to time—usually every two years—an additional event is organized in conjunction with the Bank for International Settlements and held in the context of its Annual General Meeting in Switzerland.

The Per Jacobsson Foundation was established in 1964 to commemorate the work of Per Jacobsson, the third Managing Director of the IMF (1956–63) and prior to that, the head of the Monetary and Economic Department of the Bank for International Settlements (1931–56). The main purposes of the Foundation are to foster and stimulate discussion of international monetary problems, to support basic research in this field, and to disseminate the results of these activities.

Further information about the Per Jacobsson Foundation may be obtained from the Foundation's website, www.perjacobsson.org, or from the Secretary, Per Jacobsson Foundation, IMF, 700 19th Street, NW, Washington, DC 20431, or at perjacobsson@imf.org.

Opening Remarks

ANDREW CROCKETT

Good afternoon, ladies and gentlemen, and welcome to this Per Jacobsson panel discussion. My name is Andrew Crockett. I am Chairman of the Board of Directors of the Per Jacobsson Foundation, and it is a great pleasure both to participate in the panel with our guests and also to welcome you to this event.

The topic this afternoon is the role and governance of the IMF. When we chose the topic some months ago, it seemed topical. It seems even more topical now. Many commentators have been asking how the Bretton Woods institutions can adapt themselves to the new economic realities of the twenty-first century, and this debate has, if anything, been sharpened by the current crisis. Some have suggested that the Fund has become irrelevant to the kinds of financial crises we are living through today, and others see the opportunity for the Fund to reinvent itself in the face of the fundamental changes in the financial landscape.

In fact, history suggests that the institution can be quite adaptable. For a quarter of a century or so after its foundation, the Fund was remarkably successful in promoting the removal of exchange restrictions within a fixed exchange rate system. And subsequently, following the breakdown of fixed exchange rates, it played a pivotal role in helping member countries deal with periodic payments difficulties as their economies and financial systems were integrated into the global economy.

Recent experience seems to suggest, however, that the traditional balance of payments crises with which we associate Fund assistance, rooted in unsustainable exchange rates, may not be the main issue facing the global economy in the future. Integration of financial systems and the complexities of new financial instruments seem to have made financial stability more fragile, and meanwhile fundamental changes have taken place in the distribution of economic power across countries.

So I think the transformation of the IMF's role in the international financial system will need to be more wide ranging than in the past. Of course, the Fund has been at the business of reform for some years now. It has recently initiated actions to reform country representation in its decision-making bodies and to modernize its income and expenditure framework.

But now an even more fundamental question needs to be addressed, and that is, what are the appropriate role and functions of the Fund in the new financial environment? How do the organization's traditional activities need to be adapted to secure its continued relevance in a much-changed world?

Against this broad background, I would like to suggest several questions for the panel's consideration.

First, and obviously in the forefront of our minds at the moment, how can the Fund be more effective in helping prevent, and if necessary deal with, global financial instability? Should the relative role of the Fund be strengthened vis-à-vis other bodies, such as the Financial Stability Forum (FSF), the G-7, and various other groupings? And if so, how should that be done?

A second set of questions is, what should be the focus of the Fund in its regular work of overseeing the functioning of the international monetary system? Given its historic mandate with respect to exchange rates, how can the Fund be more effective in ensuring that exchange rates play their appropriate role in the working of the adjustment process, and how can the international community be more effective in ensuring that individual countries play by the rules?

A third set of questions concerns the Fund as a lending institution. How can it adapt its lending facilities in the light of changing realities? For example, should the Fund be empowered to lend more than it can at the moment? And does the traditional role of conditionality need to be rethought?

And, finally, a very general question: if governments were starting afresh in 2008, how would the international monetary institution they might design differ from the current IMF?

Those are some questions which I will ask the panel to address. I will ask them to start with brief, five-minute statements.

Then, in the course of the hour or so that we have together, I hope we can amplify to draw out from them some broad range of answers or thoughts on these issues.

We have a distinguished panel that, in a fundamental sense, needs no introduction. So I will be very brief. Stan Fischer is not with us physically today, but I hope he is on the phone and hearing what I have to say now. And I will ask him to come in after we have heard from the other three panelists. Stan is Governor of the Bank of Israel. He was prevented, unfortunately, from coming to Washington. And as everybody in the room will know, he was for seven or eight years the First Deputy Managing Director of the IMF, including during the entire period of the Asian crisis.

Trevor Manuel has been South Africa's Finance Minister since 1996. He has served as Chairman of the Development Committee, and he is now Chair of the group of eminent persons looking at decision-making processes within the Fund.

Jean Pisani-Ferry has been Director of the Brussels-based think tank Bruegel since 2005. He is a member of the French Prime Minister's Council of Economic Analysis, and he is a senior academic in France.

And finally, Raghu Rajan, who is Professor of Finance at the University of Chicago's Business School, was Chief Economist of the IMF from 2003 to 2006.

So I do not think we could have a better-qualified panel to address these issues. I will not take any more time. I will invite, first, Trevor to give us his thoughts, then Jean, then Raghu and, finally, hoping that the telephone link with Tel Aviv is working, Stan.

The Role and Governance of the IMF: Further Reflections on Reform

STANLEY FISCHER, TREVOR MANUEL, JEAN PISANI-FERRY, RAGHURAM RAJAN

TREVOR MANUEL: I think that when Dominique Strauss-Kahn asked a number of us to serve on this panel,[1] he could not have contemplated the kind of situation that the global economy now faces. Among its eminent members, Guillermo Ortiz is here. Michel Camdessus was quoted in the *Emerging Markets* newspaper on the issue. There is Indrawati Mulyani from Indonesia, and Amartya Sen. Whom have I left out? Ken Dam and Bob Rubin and Mohamed El-Erian.

So it is a panel that really wants to be focused on these issues. But the key question that has to arise in the minds of anybody watching the situation now is, why is the IMF so remote from the situation? This is the world's greatest financial crisis. And as Barry Eichengreen wrote, "It is sometimes said that the crisis is a reminder of why we have the IMF. If the IMF doesn't come up with some new ideas on how to handle it, the crisis will only remind us of why we need to forget it."

The big challenge, then, is to look at the IMF, and I think the way in which the panel would want to see it is to try to bring the IMF back to center stage. So the agreement we have is focused, to some extent, on the internal governance. The internal governance issues are very much part of a report of the Independent Evaluation Office, whose Director, Tom Bernes, is here as well. The report, released in May of this year, focuses largely on these issues.

[1]The committee of eminent persons appointed by the IMF's Managing Director to assess the adequacy of the Fund's current framework for decision making. The committee's appointment was announced on September 4, 2008.

It is an interesting report. It asks a series of questions about what Executive Directors of the Fund do and why they should be that involved in management and so on, and that is where we start, but I think it is impossible to look at those issues to the exclusion of the way in which you have phrased the last question, Andrew. And that is that you need to look at the Fund within the global economy and the kind of services and products it offers. But you also need to look at the external governance, including the issues of voice and representation. Because ownership at a time like this is fundamentally important.

The Fund must be heard. It must be resonant with decision makers across the world. And if you ask me for my view about the problems we are seeing right now, it is the absence of strong visible leadership capable of driving change and coordinating responses to the market burndown.

JEAN PISANI-FERRY: Certainly the situation has changed a lot since we were asked to participate in this panel, and this seemingly changes the perspective on our debate: at the same time you feel today both anxiety for the world economy and some sense of relief for the institution. Anxiety is justified for sure; as to relief, in a way it is justified, in a way it is misplaced.

I think it is justified for the reason that countries, as we all know, are knocking at the door, and because the IMF is an institution with considerable expertise in banking and financial crises. It is the institution where the knowledge is and the institution on which governments have to rely to draw lessons and to know what to do.

And there is also a renewed call for coordination at the global level. Certainly, it is remarkable to what extent, having reacted in a different way initially and having been pulled apart by national politics, countries within the G-7, at least, have now converged much more towards similar solutions and a common statement on what needs to be done. So there is a moment of coordination that we have not seen for a very, very long time.

And I think also we have to say that the IMF has gained, or regained, intellectual credibility. If we look back at the *Global Financial Stability Report* (GFSR) of April 2007, it described accurately the first phases of the crisis. If we look back at what was published in April of this year, both on the macro front and on the financial front, it was much more accurate, in retrospect, than whatever was written at the same time in other official institutions and by national governments.

So I think there are elements that justify confidence in what the institution can bring. But at the same time it must be recognized that the IMF is less indispensable than it thinks. Just as an anecdote, I attended a panel this morning in which people spoke for an hour and a half about the situation without even mentioning the name of the IMF once. So that is an indication that it is not really at the center, as you said. It is somehow remote.

I think also that, in spite of what we are probably going to see soon, the need for traditional conditional assistance is on a declining trend. It was very clear in recent years. It is going to be different in the coming years, but nevertheless the quality of national economic policies has improved. The quality of national institutions has improved. The ratio of reserves to GDP has risen very significantly in developing and emerging countries.

So the idea that this would be the traditional business coming back would probably not be warranted as a reason for blithely facing the future of the institution.

A few words on surveillance, and I will stop there. In this respect, it is difficult to have a very favorable assessment of what has been achieved. In recent times, the Fund had the opportunity of exercising surveillance or at least of exercising its voice on the quality of economic policies in the United States, after many years in which it was regarded as a U.S.-driven or G-7-driven institution telling other countries what to do. This opportunity was missed. We cannot remember what exactly the Fund told the U.S. authorities about the economic policy they had to run or the solutions to the financial crisis they had to put in place, and you may all have noticed a recent piece by Subramanian in the *Financial Times* suggesting Chinese conditional assistance to the United States. It is an indication of the state of affairs.

Exchange rate surveillance was also an exercise that consumed a lot of attention and diplomatic energy without delivering anything. After the revision of the 1977 decision on surveillance, the only thing that has been weakened in the process is the credibility of the Fund, because it has not been able to resist U.S. pressures, and it has not been able to tell China what it was supposed to tell it about its exchange rate policy. And finally, multilateral consultations, though an innovative and interesting exercise, have not delivered much.

So you can praise what has been achieved and recognize that the prediction that there was no need anymore for an institution delivering conditional assistance was wrong and at the same time acknowledge that the performance of the Fund in recent times has not always been stellar and that this raises questions about the future. This should help us resist the temptation to think that it is just business that is back as usual.

RAGHURAM RAJAN: Well, I am with my colleagues on the panel in trying to indulge in some ruthless truth telling because we are amongst friends.

I think this is the crisis that will define the international financial architecture for many, many years to come. It stems in part from monetary and regulatory policies followed by the country at the center of the global system. Clearly, the United States tried to boost demand to compensate for a collapse in demand elsewhere. And in a sense, the multilateral system has been failing us over the last so many years in putting the onus of being the demander of last resort on the United States. So it is not just the United States that is to blame here.

However, the United States has also failed the international system by exporting low-quality financial assets masquerading as high-quality assets around the world and, clearly, infecting bank portfolios.

The response to this crisis in the United States has been innovative but almost consistently behind the curve. The authorities were focused on inflation when the problem was liquidity. They focused on liquidity when the problem was solvency. And they are focusing on solvency when the problem is a global financial panic.

So really there is room for somebody outside to press the authorities, because in the United States, like elsewhere, even though there is knowledge within the system to drive the right policies, it is filtered through ideology, politics, and relationships of those in power. And it is important to have outsiders comment. This is where the Fund could have played an important role in the public debate.

However, where we have ended up, as the panelists have suggested, is largely that the Fund has been represented in absentia and has followed its traditional role of endorsing the moves of the G-7 after the fact, even though many of us know that there is a tremendous amount of knowledge within the Fund. Many working papers circulating in the Fund over the last so many days suggest the way ahead. The Fund probably has been ahead of the curve in its debates internally. Unfortunately, the outside has not been wiser.

This leads to the fundamental problem of governance within the Fund, that the Fund is excessively hesitant in talking to rich countries about faults in their policies. It stems from the fact that the rich countries hold the purse strings, and there is a fear that these strings would be cut or tightened if, in fact, the Fund is overly obnoxious about policies.

Obviously, you do not require me to repeat the way the Fund displays double standards on this. The Fund has been very vocal outside in criticizing, for example, limits on short sales in other countries, making again and again the valid criticism that limitations on short sales do not work. In the 2007 Summing Up for India, the Fund explicitly encouraged the Indian authorities—this was in the Board's Summing Up—to press ahead with measures including "the expansion of short selling by all institutional investors."

Where was the Fund when the United States banned short sales and discovered, yet again, that banning short sales is not a particularly effective way of dealing with financial markets?

What I think we are missing in these moments is a strong international, independent voice that stands for the world economy and fights for the world economy. And it is a loss that the Fund is not performing this role. Because if it did perform the role, it would be extremely useful.

Clearly, some of the roles of the Fund that we thought were gone are going to come back in the days to come. The lender-of-last-resort function is going to come back. The Fund will acquire new borrowers as a result of this crisis. And if the Fund's lending resources are stretched—and we are still some distance from that—we could have a very healthy debate about whether, in fact, the Fund can raise financing from emerging markets, and that could alter the governance somewhat.

Moreover, because some of the borrowers will have genuine accidents rather than a conscious policy driving them into the accident, we can have a debate yet again about insurance facilities for which conditionality is low. And I am sure that will happen in the months to come.

But on the key issue of surveillance and global policy dialogue, the Fund has been lacking. I agree entirely with Jean Pisani-Ferry that the agenda focus over the last year and a half has been on exchange rate surveillance with the 2007 decision. And I think that was an unmitigated disaster, because not only did it show the Fund to be totally toothless, but it also showed the Fund to be biased, both of which I think are unfortunate at this time when we need an independent, unbiased agency to enforce what the world needs.

So let me just conclude that the real problem in the world today is not so much to do with exchange rates, although, of course, exchange rates are part of it. It is how to balance global demand. Because we have seen that even the largest country in the world with the most-sophisticated financial institutions cannot run large, persistent current account deficits without creating internal imbalances that, in this case, are exported to the rest of the world through the quality of financial securities.

We need to talk about this. We need to think of ways that we can manage this process. And if the Fund is to play an important role in this process, it has to demonstrate that, in fact, it is more independent, and that it can indulge in candor, even with respect to the large, important countries.

So in this I think we will have to have this debate in the weeks to come. I think there are many ways in which the Fund can be made more independent, can be made more reliable in regard to fighting for the international system, but that is really the subject of our conversation.

STANLEY FISCHER: I will try to answer all four of the questions you posed, some of them very briefly.

Question 1: How can the Fund be more effective in dealing with global financial instability?

The answer is first, through surveillance and analysis of the global financial situation—an activity whose high-quality results are evident in the *Global Financial Stability Report*, which I believe can rightly claim to have foreseen and warned about many of the developments that led to the present situation.

Second, through assessments under the Financial Sector Assessment Program (FSAP), which are excellent, and which the United

States refused to have, despite having been asked frequently to invite an assessment. There is no question that that assessment would have pointed very strongly to the incoherent structure of financial supervision in the United States and would have suggested reforming it.

Third, in bilateral surveillance with member governments, including by going public when there is a need, in ways that do not create panic.

Fourth, through convening and publicizing multilateral discussions when the issues are clearly international, as they increasingly are.

And fifth—and here I raise an issue without knowing how to solve it—by being given more power in this area by its industrial country members. The Financial Stability Forum was set up after the Asian crisis in a way that ensured that the IMF would not be closely involved in this area. It was an industrial country move to keep the Fund in its place, that is, as an institution to which the G-7 would not have to listen. That was simply a mistake. The FSF is doing excellent work, but it is not a global institution as is the Fund. There is a need for much closer cooperation between it and the Fund, and this requires more than lip service from the industrial countries. It requires that they increase the IMF's role in the area of financial stability.

In this question, Andrew, you asked whether the Fund's role should be strengthened relative to that of other bodies. The answer to that is yes, and I would say that applies even to an organization whose merits I increasingly appreciate, the Bank for International Settlements (BIS). We can talk about this all we want, but it will take decisions by the major shareholders to change the current situation in which they, by and large, prefer to handle their own problems in smaller, more exclusive clubs, and leave it to the Fund to deal with the less wealthy and smaller nations—and then complain about the Fund's ineffectiveness.

Question 2: More effective surveillance. First, and I think Jean said this, change the most recent surveillance decision by restoring the Fund's mandate to perform surveillance of the macroeconomic policy framework, and not just the appropriateness of the exchange rate.

Second, let countries that demand more effective surveillance of other countries also treat seriously the results of the IMF's surveillance of their own economies.

Third, continue and strengthen the focus on system-wide surveillance, as it is done in the *World Economic Outlook* (WEO).

Question 3: Lending facilities and conditionality. First, get over the Board's hang-ups about contingent credit lines and the like and support the actual use of these instruments, as opposed to inventing them and then circumscribing their use to the point where they are not usable.

Second, in answer to another question, Andrew, conditionality is essential—but it should relate mainly to macroeconomic policy and those structural issues that are critical to macroeconomic performance, not least in the financial sector.

Question 4: If we were starting afresh, how would the design of the world's central international monetary institution differ from that of the IMF? Let me answer that in two parts. If there had never been an IMF, we would invent one close to the essence of the current institution, but with very different shares of votes and the distribution of power within it. It would probably be an institution with far more financing. It would certainly be an institution with a highly professional staff. You would have to have that if you were designing it afresh, and the present Fund does have a highly professional staff.

Second, if there had already been an IMF, which was being radically redesigned, we would simply concentrate the changes that are now underway, and whose destination is perfectly clear—that the formerly dominant powers would become less dominant—we would concentrate those changes into a much shorter period. And if at the same time we had the opportunity to redesign the entire system, we would begin merging and closing institutions—but we would ensure the continuance of a body very like the IMF whose primary and essential purpose is, and here I am quoting from the Articles of Agreement, "to promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems"[2]—and I would add, a body whose centrality should once more be evident to all, including all those who have been writing its obituary for the last six years.

[2]IMF, Articles of Agreement, Article I, "Purposes," available at http://www.imf.org/external/pubs/ft/aa/aa01.htm.

Questions and Answers

ANDREW CROCKETT: Maybe I could put a question in a slightly different form to the panelists and to you, Stan. When the IMF was originated back in the 1940s, and for the first one or two decades of its existence, it was an organization that operated in a world that had relatively few international linkages in the financial area. The decisions, the key decisions, tended to be made by governments and, in fact, by finance ministries. They were decisions with respect to exchange rates, decisions with respect to convertibility, decisions with respect to trade. And it was natural to have the kind of organization that the Fund then was.

Subsequently, markets have grown in importance as allocators of resources. The markets, after all, are the predominant determinants of exchange rates. We do not have individual countries maintaining reserves for convertibility purposes. The markets do that. Markets are in the lead, as far as balance of payments adjustment is concerned, and we have a global net of financial interactions that are managed, if they are managed, by groupings such as the Basel Committee on Banking Supervision and the other network of regulators. Central banks have become independent in nearly all countries. Regulatory organizations have been set up, have gotten more power, and have become independent.

Now, the Fund, as an organization of governments, but predominantly, I suppose, influenced by finance ministries, has much less direct authority over the way in which financial interactions develop amongst countries. And we have a network of other organizations, central bank organizations, you mentioned the BIS, and the Financial Stability Forum, which almost for the first time brings in regulators to these discussions. We realize that banking regulation is fundamentally important to global financial stability.

And I come back, then, to the question that I think was hinted at in my original set of questions: how can this much greater heterogeneity of international organizations be coherently grouped in a way that lets us feel that the international architecture is addressed for the kind of problems that arise? Is the Fund destined to be just one amongst many, or can we think, should we think in terms of the Fund's taking a leading, coordinating role amongst these various groupings and trying to make sure that when we face a crisis like the present one, it is not the G-7 plus the FSF, plus the BIS, the Basel Committee, and so on? But we have got not just countries, but international organizations, that are trying to be consistent.

I hope that question is clear. I will ask maybe Jean to start and Raghu, if he has any views, and then Trevor.

JEAN PISANI-FERRY: Yes, the question is very clear.

Well, on the FSF, I think it is very interesting to see the success of the FSF. The FSF is almost nothing: it has no structure, no staff, no legal statutes. It assembles a very heterogeneous group of institutions, and yet it has become the core group that actually drives the agenda.

One explanation for that is the one that was offered by Stan Fischer, that the rich countries prefer to deal with those issues in an exclusive club and prefer not to—and I think he was absolutely right to point out that it was an explicit choice—have preferred not to give this responsibility to the IMF.

But it is not only a question of rich versus poor countries. An indication of that is to contrast how much was done at the FSF level and how little was done at the European level among rich countries faced with exactly the same kind of problems and with all the legal instruments, all the apparatus to reach agreement and take decisions. Precisely those countries, they have preferred to deal with this issue at the FSF level because it does not involve any transfer, any formal transfer, of sovereignty. It is a club, and de facto they follow the consensus within the club, and the consensus can be quite precise in the recommendation, and that recommendation can be followed through, but they prefer to deal with an ectoplasm rather than with a formal institution.

In a way, that brings us to the question of institutions. I was struck that, in the speech that Robert Zoellick made at the Peterson Institute a few days ago, he spoke of a "Facebook" of multilateral diplomacy, which is a kind of concept that did not exist at the time of the Bretton Woods agreement. In this context, I would say the Fund needs to make friends on Facebook. It is not its culture, but it is a reality that we have a burgeoning of groupings, of institutions, specialized differently, and it is not over, because we are just learning that there are talks of there being a G-14, and the Italians have said that they are going to invite some new guests at the next G-7 meeting. And I think there is no choice for the IMF but to make friends, at least to prove that it is useful and to provide a service to those institutions by being the ultimate institution that ensures intellectual consistency, provides the expertise, and makes sure that those meetings and consultations are useful.

I think the Managing Director has hinted at something of this sort when he spoke of notions of playing a secretariat role vis-à-vis these groupings. It is certainly not the kind of evolution that Michel Camdessus was putting forward a few years ago when he wanted to make the Fund, again, the core institution for international coordination and to enhance its formal role through a council. But I think, again, that is reality.

RAGHURAM RAJAN: Well, I want to emphasize it is not just expertise. I do think there is a tremendous amount of expertise in the Fund, but it is an unwillingness to use this expertise and it is, to some extent, also an unwillingness to have an outside light shine on your policies.

To some extent, this is where the Fund has changed a lot from when it was started, in my view. Then, a lot of the information about country policies, a lot of the information about the financial sector was hard to get at. Then the role of confidential adviser was very important, because it meant that you also got access to all this information. So it was very hard to be full of candor, because you would not get information if you were full of candor. You would lose access.

I think things have changed now. I think, for many of the large countries in the world, most of the information that you need is pretty much on Bloomberg and CNN. And as a result, it is quite possible for an international organization, on the basis of public information, to arrive at conclusions that are not based on anything that you get privately from the government. This is not to say that one cannot have confidential discussions with the government. But I think a very important role going forward has to be, especially in the case of large countries, to provide an outside independent assessment and not to compromise that assessment by wanting to be always inside and in cahoots with the government.

There is no organization with the kind of standing, with the kind of credibility of the Fund that can perform this role, and it is necessary in order to break through to the politics. The U.S. Treasury has the information available within the country to do what it really needs to do. But the question is, will it do it? And there you have the traditional effects of politics and personalities coming in, where an independent outside source with credibility could actually have beneficial effects in affecting the direction of the country's policies. In this particular crisis that role has been played by academia in the United States. It has been academia that has been criticizing the nature of the proposals that have been put forward. It is academia that has been providing new solutions. This role should have been played by the Fund, could have been played by the Fund, was not played by the Fund. And it will only happen if the Fund sort of steps aside and says, "Well, we do want to be in the parlors of power, but there is also a role outside for us."

The second thing I would like to say is that there are models of how the multilateral discussion can get going. Jean Pisani-Ferry mentioned the multilateral consultation. The spirit behind this was really a good one, which is: let us get the right parties for the problem at the table. Let us get them to discuss, let us be the secretariat for this, provide the underlying analysis, so that they can be pushed towards a solution. The problem, however, was that there was an unwillingness of the parties at the table to actually do anything about it. There was a backing off by some of the key parties because there was a change in the ministers responsible and, ultimately, there was also an unwillingness at the Fund to say, "We really must do something." The Fund backed away, and the end result was weak: business as usual.

But that does not say that that process, multilateral consultation, cannot work in enhancing global dialogue. It breaks the issue of how many people should be at the table, because it says that an international organization like the IMF will decide who has to be at the table based on the collective will of the nations, and then we can get good dialogue going on between the relevant parties.

TREVOR MANUEL: One of these newspapers circulating around here had an article across a few pages on the Fund, under the rubric "Being and Nothingness." I think it speaks directly to the challenge.

One has to start from the fundamental view that if you accept public policy and you accept the interconnectedness of the global economy, then you need an institution appropriate to its regulation. Now, in accepting that, I think the question is how it operates. You obviously have to exercise certain choices, as the Fund is the sum of its parts or the Fund is a regulator of note across the global institutions.

One challenge, and going back to the way in which you phrased the question, the assumption is that it is a gathering of finance ministers or their proxies. The truth of it is that in many respects, both the Fund and the Bank are exemplars of leveraged foreign policy rather than institutions shaped for the purpose of regulating parts of the financial institution. So I think that that is a big challenge that we have to get our head around.

The way in which Stan described the establishment of the FSF shows part of the problem. You either accept multilateralism and the need for it or you try to opt out. If you opt out, I am not quite sure what the consequences are. You could do it as North Korea does. Alternatively, I think you have to accept the precepts of multilateralism. And then I think that, notwithstanding the good work that you did in the FSF, Andrew, and Mario (Draghi) after you, the key issue is that all of this needs to be taken together in an über-regulator of sorts, something that does not have to do everything.

There clearly is a role for the BIS, for the International Organization of Securities Commissions (IOSCO), etc., but you need a reference point and a repository of ideas, something that allows for an iteration of processes and ensuring that, very importantly, compliance is actually a requisite object. I think, again, Stan's reference to the refusal by the United States to undertake an FSAP assessment is something that should actually not be tolerated in an environment and a group of countries that accept that there must be certain norms for multilateralism. These are, clearly, some of the issues that we have to address.

Once we are through with that, then I think you begin to look at various loci of decision making within the institution. And then you have to go back to New Hampshire in 1944 and come through and look at the present arrangement and look at the International Monetary and Financial Committee (IMFC), which has convened here this weekend, and understand that the policymakers from countries who come to discuss issues have, at best, an advisory role vis-à-vis the Fund. That, clearly, limits decision making relative to the Board, for instance, and these are clearly issues that have to be addressed and properly aligned.

STANLEY FISCHER: Well, the issue that you raised, Andrew—how can or should the Fund operate in the modern world in which financial markets are a much more important source of financing than they were 60 years ago, in which governments are less inclined to think in terms of what is good for the international system as a whole, and in which there are many more international economic organizations—is really at the heart of many of the dilemmas currently facing the Fund. I thought that what Jean said, what Raghu said, what Trevor said, each from a somewhat different angle, were all relevant and important.

I keep thinking of whether there are other organizations that have succeeded in solving these problems. I do not think the United Nations has, because the big countries just do not accept it when they do not want to accept it, and their problem is very similar to that at the Fund. We may just have to accept that we are dealing with a problem that does not have a good solution and do as Jean said—get on and accept the world as it is, because there is not much we can do about it.

Jean's comment that countries prefer to work with the FSF because that does not involve any transfer of sovereignty is an important insight that may explain why big countries, in particular, do not support the Fund as much as they should. It is not that the small countries like the transfer of sovereignty, it is just that they do not have that much choice.

The emphases that we heard from Jean on intellectual coherence and from Raghu on an independent, outside source of judgment are also critical. Those are assets the Fund has had and that it needs to maintain and strengthen.

Let me raise a question about multilateral surveillance. Basically, what the Fund has done in multilateral surveillance is to take on cases in which there are fundamental disagreements between countries and tried to act as a broker or arbitrator between the sides. I am not sure that multilateral surveillance, for example, in the form in which it took place over the Chinese exchange rate, is an activity that is worth engaging in, certainly not before there has been some exploration with the parties of whether the solutions the Fund is suggesting are at all feasible politically. There may be other ways, including being much more frank in public, which I think Raghu suggested, that could be as effective as the multilateral surveillance exercise.

With regard to the Fund's relations with other organizations, most of them are not going to go away. In the end, the Fund will have to work with them by having something to offer them and also by deferring to them on occasions and working with them cooperatively.

ANDREW CROCKETT: Let me now turn to the room. And I think maybe the most practical way would be if I collected two or three or four questions—I hope brief questions—and then gave each of the members of the panel a chance to reflect on any aspects of those questions that they wanted, and that would probably take us to the time when we have to close.

Who would like to put the first question?

QUESTION: This is a two-part question—it has two aspects. There are those who say the Fund is out—this is symptomatic of the fact that the Fund is irrelevant, right? Because it has not played a major role. And there is another side that says, actually, the Fund should play a major role, which you could argue from the Fund's perspective and from a multilateral perspective actually is correct. So you could argue that relative to the way people were thinking about the Fund 18 months ago, for a large fraction of the world, maybe there is more acceptance of the Fund today and an insistence that it have more of a role than was, maybe, the case say, 18 months ago. So that would be one question.

The second question, it seems to me, in thinking about the Fund's role in the current context, is—if I put it that way—how you see the nature of the problem. There really are two ways of thinking about it. One is this is a micro problem of banking supervision, and the other is that it is a macro problem that gave rise to micro problems.

Raghu had a sort of little bit on both. Obviously, it is both, to some degree. The question is where the emphasis is.

The second question is whether it was, if I may put it that way, made in Washington or made in the world. Clearly, the answer vis-à-vis the Fund's role is different. It depends on whether you think it is primarily a macro issue that became a micro issue, a structural financial issue or a structural financial system failure that became a macro issue and whether it was, in some sense, all about the United States and its macro policies and micro policies or it has to do with sort of how the world was working and we got it wrong.

ANDREW CROCKETT: Next question.

QUESTION: It is a very short question, just to ask you, Andrew Crockett, to answer the three questions you gave to the panel. You raised three questions, but you did not answer them.

ANDREW CROCKETT: This is a good invitation for me to go beyond the moderator's role and speak, which I will try to do at the end, time permitting.

QUESTION: I am staggered that we have spent 50 minutes talking about the IMF and no one has mentioned the word "Iceland." Surely, the fact that Iceland is about to go bust and they turned to Russia, rather than turning to the IMF, is in itself a statement of how ineffective the IMF is. The IMF has been overtaken by events.

You have already said yourself the Americans do not really need you. You basically have already said that you do not actually have any effectiveness. You have already said that you do not reflect how the world is changing. Asia, Africa, the Middle East, they do not have the voting rights they should. You have had three years to discuss that. All you have created is a case for the IMF to be a very good think tank. You will probably be as good as the Peterson Institute. You produce great papers. But what you have actually said is you have got no bite. And the fact that Iceland, about to go bust, does not come to you, is it not surely a sign of the times?

ANDREW CROCKETT: You are using the second person in addressing us, but I do not think any of us is actually in the IMF!

TREVOR MANUEL: Maybe Stan will take that question.

QUESTION: Two observations, following on the previous question. Basically, there is an important new practical and urgent mission for the IMF and that is to protect the countries at the periphery from the consequences of a storm at the center. And I think that Japan has come forward with an offer of, I think, $200 billion, from its reserves, if it were to be matched by other countries with large reserves, to provide the funds, the kind of support, to these countries that the governments of the countries at the center are offering their banking systems. That, I think, is very important and practical, offering a new raison d'être for the IMF.

As far as how would you design the IMF if you started from scratch, I think one probably should consider going back to the idea of "bancor" that Keynes brought up at the time. Because the fact is that the countries at the center, particularly the United States, have abused their privileged position of being at the center and not observing the discipline that the IMF has been imposing on other countries at the periphery.

ANDREW CROCKETT: I will take maybe one more and then I will ask the panelists to comment.

QUESTION: It seems to me that the IMF benefited in the twentieth century from the reality that the United States was a benign hegemon, at least for the market economies, but in this century, as sort of demonstrated by the current crisis, the United States, although it is still the superpower in many respects, cannot act alone, and yet that is not yet reflected effectively in the way the IMF is organized, managed, and governed.

So I was surprised not to hear a little bit more about China, other than in the context of the failed multilateral surveillance. And I think the point the last questioner was making is interesting—that perhaps there is a way the IMF could be the intermediary transferring funds from some of the surplus countries to others—I guess that is his suggestion in a way—and, thus, play the role of honest broker. But that may require more engagements sooner by the G-7 with the countries that are the surplus countries.

I guess I am just asking for any reaction to that issue.

ANDREW CROCKETT: Maybe I will, this time, go in reverse order and invite Stan to reflect on the questions that we have had, then Raghu, then Jean, then Trevor, and I will sum up with a few remarks at the end.

STANLEY FISCHER: On Iceland, at least the screens I look at say that Iceland is turning to both the IMF and to Russia. There are precedents for other countries' being willing to provide assistance to a country in crisis only if the crisis country enters an IMF program, and this may well become one of them.

With regard to the "bancor" notion, I do not think that would actually be a way of imposing discipline on the system, particularly on domestic economic policy. As far as I remember it—and I may be wrong—I do not think there would be much difference between that and between allowing issues of Special Drawing Rights (SDRs) and beginning to use SDR issues to generate global liquidity, a notion that has dropped out of consideration in recent years but that should always be kept in reserve. To do this effectively, a way would have to be found for countries to reallocate their SDRs to other countries.

Two questioners raised the question of whether this crisis is, at its core, a result of a failure of exchange rate adjustment in the case of the United States–Chinese exchange rate, or a case of U.S. macroeconomic policy going wrong and not being subjected to discipline for a very long time.

We may have been inclined, perhaps for political reasons, to underplay the role of the exchange rate issue and China's accumulation of reserve assets on a massive scale, which facilitated the continuation of the U.S. current account deficit for longer than was macroeconomically desirable. That means that the Fund's role in patrolling the exchange rate system did not work—something we already know.

But we also know why it did not work. For the Fund to have succeeded, it would have had to mediate between the country with the largest population in the world and the country with the largest GDP in the world and get them to reach an agreement that they were incapable of reaching bilaterally. China was not willing to change its strategy of operating with an undervalued exchange rate, which has been an extremely successful one from the viewpoint of growth. It is also a strategy that is economically sustainable for a very long time. Unfortunately, it is very hard for the Fund to persuade a country to act against what it sees as its national interest in the interests of the international system. That is just the way the world works.

Finally, the idea of the IMF's protecting countries at the periphery: the screens I have been seeing say there are a number of countries at the periphery that need help and are beginning to turn to the Fund for help. And if, in this world of enhanced capital flows, where packages almost certainly have to be much larger than the Fund can provide, if there is an offer from Japan of providing that financial assistance, it should certainly be part of what the IMF is going to do to help its member countries in trouble. There will be more IMF programs in the months ahead. Enhanced financing is likely to be very useful in ensuring the success of those adjustment packages.

RAGHURAM RAJAN: The first question, on micro and macro. As I indicated, I think it is a little bit of both.

One of the things that we used to believe is that a reason emerging markets could not run sustained current account deficits was that, at some point, they would mess up in terms of their domestic demand, do the wrong things. The financial sector was not adequate to channel that domestic demand properly.

But we have seen the same thing happen in the most-sophisticated country in the world, which leads to the question, is this a more structural problem, and not just about governance of the financial system? But in some sense, when you get this inflow of resources, most countries do not have the appropriate techniques to channel that into the right places, and we get boom and bust, regardless of whether your system is sophisticated or not.

I do not know the answer to this question, but it certainly is a question worth asking, whether, in fact, this is an issue. And if that is the issue, then it becomes both micro and macro. The macro problem is creating the micro problem. That, I think, needs to be thought of a little more.

On the issue that the last questioner raised, given that Stan has answered some of the other questions, I do think that if, in fact, the Fund runs short of resources and borrowing capacity, and it now has a considerable amount of borrowing capacity, certainly it is time to consider whether it can intermediate resources from the rest of the world. Certainly, there are lots of reserves invested by emerging markets, and by Japan.

Now, something in the Subramanian article struck me as a little fishy. I mean, those reserves are already lent to the United States and to industrial countries. There is no question of relending them. But, yes, it would be a reallocation across the world from industrial countries to emerging markets.

JEAN PISANI-FERRY: Maybe I will start with Iceland. Very recently there was the idea that many countries in the world could rely on substitutes for the IMF. So you could have Iceland going to Russia, you could have Latin American countries going to Venezuela, you could have Asian countries going to China, etc. I think a large part of that is going to disappear just because the market will need the confidence-building element of an IMF program, which we know is run by professionals and has the ability to elicit confidence in the policies of the countries.

After all, if we assess the situation in some emerging countries that are in the spotlight, we are speaking of very traditional crises. We are not speaking of a kind of crisis of confidence or even the ones we saw at the time of the Asian crisis. We are speaking of traditional balance of payments crises, in most cases, or in the case of Iceland, we are speaking of the whole financial sector which has been destroyed and which called for a set of policies that has to be monitored. And I think that the idea of IMF substitutes that was very much present recently is going to largely disappear from the map because in harsh conditions you do not take such bets.

I very much agree with Raghu that the best rationalization we had of the situation of global imbalances we have been in recently is that the United States was offering sophisticated financial assets that the rest of the world wanted to buy. So if we take that seriously, it means, at the core, it is micro and macro. And I think the Fund is very well equipped to deal with that. It has to make progress, internally, with the consistency between its macro assessment and its financial assessment—it has not been perfectly integrated. We all know that. We had this separation between the GFSR and the WEO, and in the country assessments the financial dimension was not always taken on board sufficiently. But we know that both elements exist within the Fund, making that a strength. So I am not that worried about the Fund's ability to deal with this dimension.

Beyond that, obviously, the question you were asking—Was it made in Washington or was it made in the world?—is a very important question politically. It is not a technical question, but politically the interpretation that is going to be given to this crisis is going to be with us for a very long time and have profound implications for the way populations and governments see their integration into the world economy.

On the last question, I think the questioner is absolutely right in emphasizing the change in the balance of power and the implication for the Fund. It has implications for quotas and voice that we have not emphasized because it was not the purpose of this roundtable, but I think it is obviously a major element, and we are not yet there, by far.

It has implications also for the way the Fund can exercise its role. Is it within itself, or does the Fund need to rely on a grouping of a "G," in which the major players are represented and in which it can provide the assessment, the underlying expertise and representations?

Certainly, the days when the Fund had a big power behind it and was speaking to small countries are over. I mean, there are still small countries, but certainly it has to speak to much bigger players, and it is not only China and India; it is also Europe. So it is going to be, obviously, a problem that is going to remain for the future.

TREVOR MANUEL: Let me start with the last-but-one questioner. I think this calls on us to invert all of our precepts. Through all of the previous crises, we in the emerging markets knew that we were very much on the periphery. It was our problem, it was our crisis, we did not have the rules, but I think this time around we have the rules and regulations and supervision in most emerging markets.

So center and periphery I think are much inverted for purposes of discussion here. It is the only way to look at it. It presents us with a great opportunity to have a leveler and, therefore, to approach this crisis perhaps with more opportunity for change than what otherwise may have been the case.

In respect to the issues that the first questioner raises, I think Raghu was being exceedingly diplomatic about this issue. In the absence of regulation in an environment where society has been accepting of the degree of innovation and financial services that we have seen in this country in particular, I think it is necessary to pause to consider some of the basics of economics of business cycles.

If one looks at the extent of leverage that had been tolerated and the absence of real collateral, there have been fundamental problems in the regulatory system. This was an admission that Hank Paulson made, probably around April of this year, quite publicly. And I think that those issues will remain part of the discourse going forward, not in a kind of sense that we should apportion blame, but I think it is very necessary that we understand what has happened and the difficulties that have spread from here.

Now, we have heard very articulate presentations by the Indian Governor of the Reserve Bank, for instance, who has explained the kinds of decisions that they have taken in their battle in monetary policy and the fight against inflation, how their sovereignty is actually undermined by the present crisis, how India and a number of other emerging markets will find access for their markets drying up in the crunch, and how capital markets will see spreads widening.

So, clearly, we need to work through these issues. And I think that as we deal with them, we need to go back to that which brings us together after all, crisis prevention rather than crisis management.

Just a word on the last question, and I would like to bring together something that I said earlier and something that Stan also said.

One of the difficulties with institutions that have become instruments for leverage in foreign policy: listen to the recounting of the multilateral surveillance in respect of China and the kind of badgering from Washington on China about the exchange rate. It is very difficult not to come to the conclusion that this was yet another example of that kind of foreign policy intervention through the IMF. The problem that you then have to deal with is that, if this perception becomes a reality, then the IMF is undermined in the process.

So I think the challenge that we have given ourselves is to try to look at these issues and try to bring the IMF back into the center, where it belongs. It means it needs to look not just at the current account, but also at the capital account. It needs to have some review of its governance structures. And we all start from the understanding that there is no alternative and there is no point in constructing an alternative to the IMF. It needs to be brought into the center, and its work needs to be refocused.

ANDREW CROCKETT: Well, time is running out on us, and I do not have a chance to answer fully the questions that I asked, but let me just make one observation.

A number of people have said—have regretted—in the course of their remarks that the United States does not listen much to the Fund and is not influenced by the Fund. Right now in the United States there is a demand on the part of public opinion and the political process to know who was responsible for this mess we have gotten in. If it is, indeed, the case that IMF advice was neither sought nor listened to, and there was no FSAP assessment, maybe there is a more receptive audience for a bigger role for the IMF than there has been for some time past.

Let me conclude by thanking all of our members of the panel for really excellent insights into the questions that were raised and to ask you to join us at the reception that will be held outside in the atrium.

Stanley Fischer

Stanley Fischer has been Governor of the Bank of Israel since May 2005. For more than three years before that, he was Vice-Chairman of Citigroup. Mr. Fischer was the First Deputy Managing Director of the IMF from September 1994 through August 2001. Before he joined the IMF, he was Professor of Economics at MIT. He was Chief Economist at the World Bank during 1988–90.

Trevor Manuel

Trevor Manuel has been South Africa's Minister of Finance since 1996. Before becoming Finance Minister, he was for two years South Africa's Minister of Trade and Industry. He served as Chairman of the Development Committee (the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries) from November 2001 to September 2005.

Jean Pisani-Ferry

Jean Pisani-Ferry has been Director of the Brussels-based think tank Bruegel since 2005. He is also a Professor of Economics at the University of Paris–Dauphine and a member of the French Prime Minister's Council of Economic Analysis. From 1992 to 1997 he was the director of the Centre d'études prospectives et d'informations internationales (CEPII, the French Research Center in International Economics).

Raghuram Rajan

Raghuram Rajan has been Professor of Finance at the University of Chicago's Graduate School of Business since 1995, although he took a leave of absence during 2003–06 to be Economic Counsellor and Director of the Research Department at the IMF. In 2003, he won the inaugural Fischer Black Prize of the American Finance Association for the person under 40 who had recently contributed most to the theory and practice of finance.

The Per Jacobsson Lectures

2008 *The Role and Governance of the IMF: Further Reflections on Reform.* Symposium panelists: Stanley Fischer, Trevor Manuel, Jean Pisani-Ferry, and Raghuram Rajan.

2008 *The Approach to Macroeconomic Management: How It Has Evolved.* Lecture by Lord George (Basel).

2007 *Balance of Payments Imbalances.* Lecture by Alan Greenspan.

2006 *Asian Monetary Integration: Will It Ever Happen?* Lecture by Tharman Shanmugaratnam (Singapore).

Competition Policy and Monetary Policy: A Comparative Perspective. Lecture by Mario Monti (Bern).

2005 *International Financial Institutions: Dealing with New Global Challenges.* Lecture by Michel Camdessus.

2004 *The U.S. Current Account Deficit and the Global Economy.* Lecture by Lawrence H. Summers.

Some New Directions for Financial Stability? Lecture by C.A.E. Goodhart, CBE (Zurich).

2003 *The Arab World: Performance and Prospects.* Lecture by Abdlatif Yousef Al-Hamad (Dubai).

2002 *The Boom-Bust Capital Spending Cycle in the United States: Lessons Learned.* Lecture by E. Gerald Corrigan.

Recent Emerging Market Crises: What Have We Learned? Lecture by Guillermo Ortiz (Basel).

2001 No lecture took place due to the cancellation of the Annual Meetings of the IMF and the World Bank.

2000 *Ten Years On—Some Lessons from the Transition.* Lecture by Josef Tošovský (Prague).

Strengthening the Resilience of Financial Systems. Symposium panelists: Peter B. Kenen, Arminio Fraga, and Jacques de Larosière (Lucerne).

1999 *The Past and Future of European Integration—A Central Banker's View.* Lecture by Willem F. Duisenberg.

1998 *Managing the International Economy in the Age of Globalization.* Lecture by Peter D. Sutherland.

1997 *Asian Monetary Cooperation,* Lecture by Joseph C.K. Yam, CBE, JP (Hong Kong).

1996 *Financing Development in a World of Private Capital Flows: The Challenge for International Financial Institutions in Working with the Private Sector.* Lecture by Jacques de Larosière.

1995 *Economic Transformation: The Tasks Still Ahead.* Symposium panelists: Jan Svejnar, Oleh Havrylyshyn, and Sergei K. Dubinin.

1994 *Central Banking in Transition.* Lecture by Baron Alexandre Lamfalussy (London).

Capital Flows to Emerging Countries: Are They Sustainable? Lecture by Guillermo de la Dehesa (Madrid).

1993 *Latin America: Economic and Social Transition to the Twenty-First Century.* Lecture by Enrique V. Iglesias.

1992 *A New Monetary Order for Europe.* Lecture by Karl Otto Pöhl.

1991 *The Road to European Monetary Union: Lessons from the Bretton Woods Regime.* Lecture by Alexander K. Swoboda (Basel).

Privatization: Financial Choices and Opportunities. Lecture by Amnuay Viravan (Bangkok).

1990 *The Triumph of Central Banking?* Lecture by Paul A. Volcker.

1989 *Promoting Successful Adjustment: The Experience of Ghana.* Lecture by J.L.S. Abbey.

Economic Restructuring in New Zealand Since 1984. Lecture by David Caygill.

1988 *The International Monetary System: The Next Twenty-Five Years.* Symposium panelists: Sir Kit McMahon, Tommaso Padoa-Schioppa, and C. Fred Bergsten (Basel).

1987 *Interdependence: Vulnerability and Opportunity.* Lecture by Sylvia Ostry.

1986 *The Emergence of Global Finance.* Lecture by Yusuke Kashiwagi.

1985 *Do We Know Where We're Going?* Lecture by Sir Jeremy Morse (Seoul).

1984 *Economic Nationalism and International Interdependence: The Global Costs of National Choices.* Lecture by Peter G. Peterson.

1983 *Developing a New International Monetary System: A Long-Term View.* Lecture by H. Johannes Witteveen.

1982 *Monetary Policy: Finding a Place to Stand.* Lecture by Gerald K. Bouey (Toronto).

1981 *Central Banking with the Benefit of Hindsight.* Lecture by Jelle Zijlstra; commentary by Albert Adomakoh.

1980 *Reflections on the International Monetary System.* Lecture by Guillaume Guindey; commentary by Charles A. Coombs (Basel).

1979 *The Anguish of Central Banking.* Lecture by Arthur F. Burns; commentaries by Milutin Ćirović and Jacques J. Polak (Belgrade).

1978 *The International Capital Market and the International Monetary System.* Lecture by Gabriel Hauge and Erik Hoffmeyer; commentary by Lord Roll of Ipsden.

1977 *The International Monetary System in Operation.* Lectures by Wilfried Guth and Sir Arthur Lewis.

1976 *Why Banks Are Unpopular.* Lecture by Guido Carli; commentary by Milton Gilbert (Basel).

1975 *Emerging Arrangements in International Payments: Public and Private.* Lecture by Alfred Hayes; commentaries by Khodadad Farmanfarmaian, Carlos Massad, and Claudio Segré.

1974 *Steps to International Monetary Order.* Lectures by Conrad J. Oort and Puey Ungphakorn; commentaries by Saburo Okita and William McChesney Martin (Tokyo).

1973 *Inflation and the International Monetary System.* Lecture by Otmar Emminger; commentaries by Adolfo Diz and János Fekete (Basel).

1972 *The Monetary Crisis of 1971: The Lessons to Be Learned.* Lecture by Henry C. Wallich; commentaries by C.J. Morse and I.G. Patel.

1971 *International Capital Movements: Past, Present, Future.* Lecture by Sir Eric Roll; commentaries by Henry H. Fowler and Wilfried Guth.

1970 *Toward a World Central Bank?* Lecture by William McChesney Martin; commentaries by Karl Blessing, Alfredo Machado Gómez, and Harry G. Johnson (Basel).

1969 *The Role of Monetary Gold over the Next Ten Years.* Lecture by Alexandre Lamfalussy; commentaries by Wilfrid Baumgartner, Guido Carli, and L.K. Jha.

1968 *Central Banking and Economic Integration.* Lecture by M.W. Holtrop; commentary by Lord Cromer (Stockholm).

1967 *Economic Development: The Banking Aspects.* Lecture by David Rockefeller; commentaries by Felipe Herrera and Shigeo Horie (Rio de Janeiro).

1966 *The Role of the Central Banker Today.* Lecture by Louis Rasminsky; commentaries by Donato Menichella, Stefano Siglienti, Marcus Wallenberg, and Franz Aschinger (Rome).

The Per Jacobsson lectures are available on the Internet at www.perjacobsson.org, which also contains further information on the Foundation. Copies of the Per Jacobsson lectures may be acquired without charge from the Secretary. Unless otherwise indicated, the lectures were delivered in Washington, D.C.

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