



Stanley Fischer

Farewell Reception in Honor of the Managing Director

Remarks by Stanley Fischer

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International Monetary Fund

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Mr. Managing Director,
Mrs. Camdessus,
Colleagues.

Biography

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We are gathered here this afternoon for three reasons:

- to give thanks to the Managing Director for all he has done for this great institution that we serve;
- to reflect on the truly remarkable human being that we have been privileged to know and work with; and
- to wish him and Mrs. Camdessus *bon voyage* and our best wishes for the future.

It is said that when President Roosevelt left the White House in 1945—of course he left under less auspicious circumstances than the MD is leaving the Fund—most Americans could not imagine anyone else being President of the United States. Well, the MD has now headed the IMF for longer than Roosevelt was President of the United States. And it is hard to imagine the Fund without him. Two-thirds of us—myself included—have known no other Managing Director during our Fund careers. The MD has led this institution for almost a quarter of its life. During that period he has visited 116 of our 182 member countries. He has delivered countless keynote speeches, preaching the virtues of monetary and fiscal discipline and high quality growth from Pamplona to Panama and from Bishkek to Bangkok. And as if this were not enough, he has chaired no fewer than 1,011 sessions of the Executive Board—an achievement that alone must have demanded superhuman stamina and patience.

But, Mr. Managing Director, your real achievements will be celebrated by the history books. Let me mention just a few:

- The introduction of the ESAF must be among the achievements closest to your heart. It enabled the IMF to work with and lend on

concessional terms to the poorest countries, mostly in Africa, as a way to promote effective policies and as a catalyst for bilateral aid flows. Your commitment to the needs of our poorest members was clear from the earliest days of your time here. Within a year of taking office, you had tripled the IMF's resources for concessional lending to low-income countries.

- The transformation of the ESAF into the Poverty Reduction and Growth Facility: This was an essential component of the enhanced debt relief initiative for the HIPC countries, which in turn marked the culmination of years of work here and at the World Bank. Funding this exercise was a miracle of imagination, determination, persistence and persuasion. To watch the MD working the telephones in pursuit of a worthy cause such as PRGF financing is to see a master politician in action, in his element, hugely enjoying himself.
- The end of the 1980s debt crisis with the Brady plan. In this, as in dealing with the problem of arrears to the IMF, you were prepared to challenge prevailing wisdom and come up with new solutions to apparently intractable problems. In all his negotiations, the MD exemplifies President Eisenhower's dictum: "Firmness in support of fundamentals, with flexibility"—and I should add, maximum flexibility—"in tactics and methods."
- The admission to the Fund of the transition economies, and the acceptance by the Fund of the challenge of leading the international effort on transition. I believe history will conclude that the effort was largely successful, even if in some countries, including of course Russia, it will take longer than we originally expected.
- The resolution of the Mexican crisis, the first financial crisis of the 21st century. In difficult circumstances, the Fund accepted its responsibilities and helped Mexico adjust and return to growth within a year. This was my first crisis, and several episodes are etched on my memory: the 7.30 a.m. meeting in the MD's office the morning after the United States' \$40 billion package for Mexico fell apart, being greeted by the MD, saying "Gentlemen, this is a crisis, and in a crisis you don't panic." And the informal Board meeting two hours later, in which the MD told the Board that he had committed to lend Mexico an extra \$10 billion—certainly one of the most dramatic Board meetings I have attended.
- After the first crisis of the 21st century—Mexico—we had the second, third, fourth and fifth in rapid succession. The Asian crisis tested the Fund as never before. The courage and determination of the MD—and of our superb staff, all of you—

helped stem the panics and restore macroeconomic stability and growth.

- With the support and encouragement of the membership, the MD has also been at the forefront of the ongoing revolution to increase the openness of the Fund. You are familiar with the details, so I will not go into them now.

There is much more: the early insistence on trying to reduce military spending, the switch to second generation reforms and the emphasis on high quality growth; the emphasis on governance; the willingness to confront corruption; and more. I could go on, but instead let me summarize: for the past 13 years we have been blessed with an extraordinary Managing Director, who has led us in extraordinary times. Mr. Chairman, you leave an institution very different from the one you found 13 years ago—one that has had to adapt, and has adapted, to profound changes in the global economic environment in which it operates.

But you have managed to do this through a process of continuous self-reform, without any upheavals of the organization, retaining throughout the *esprit de corps* that makes the IMF so effective and so extraordinary a place to work. For this, and for so much more, we, and the world, owe you our profound gratitude.

Let me say a little about the attributes which have allowed the MD to achieve all this. And here I am afraid I will have to embarrass him.

First, courage and determination. He is a man who is not afraid: he is not afraid to fight for what he believes; he is not afraid of powerful political leaders; he is not afraid to persist when the odds are against him. I once asked him as he sent yet another proposal on a special issue of SDRs to the Board, why he was doing it when he knew it would be rejected. His reply: "Sometimes you have to fight guerilla warfare." And sometimes it is not guerilla warfare, but rather open war. At different times the MD has irritated almost every power bloc in the membership: the Americans, the Europeans, the developing nations, you name it. Yet he has been careful never to irritate too many at once. This explains why he has been written off by the press so often, yet survived in the job so long.

Second, the MD is a natural evangelist. Perhaps in part because he is the son of a journalist, he has always recognized the importance of going out and telling people straight what the Fund is doing and why we are doing it—even when it is something unpopular. When the IMF goes into battle—and unfortunately we have to do that from time to time, the MD is no deskbound military strategist. He is happiest in the thick of battle, engaging with policymakers, the press, religious leaders and NGOs on their own territory. As a result, he has become the personal embodiment of the institution to outsiders. In the process he has exposed himself to

personal, and often unfair, criticism on our behalf.

Third, the MD is a man of great loyalty—and there is no virtue that he prizes more highly. His loyalty to those who work for him is legendary. The MD is fiercely protective of all his staff. For instance if a DMD criticizes a long-serving staff member, he will reply: "But he has served the Fund loyally for twenty three years." The staff understands and appreciates the loyalty you have shown to them, Mr. Chairman, and you know that it has been reciprocated.

Fourth, the MD is a man of human sympathy, decency, and courtesy. We know of his decency not only because of what he has done in the public arena, but also because of what he and Brigitte have done quietly in extending the hand of sympathy to so many of their friends and the staff at critical times in their lives. He is man of humor, and *joie de vivre*. He loves to talk, he loves to tell stories, he enjoys good wine, the company of friends, and of interesting people, he prizes art, he even loves bull-fighting, he lives life with a vigor and energy that can only inspire all around him.

The MD's various personal assistants over the years attest to his enthusiasm for foreign travel and his remarkable energy on the road. At various times he has found himself drinking mares' milk in Mongolia and wine with countless ministers and heads of state. He has hunted wolves in Russia and been made a Mud Chief in Papua New Guinea. His assistants have also learned not to let him out of their sight too often, especially when the annual meetings are being held in an unfamiliar foreign location. The MD is a brisk walker but his sense of direction is not always perfect. So far I have only listed the MD's virtues. But those virtues combine with a willingness to use the tactics that may be needed to attain his goals. He is, when all is said and done, a wheeler-dealer, in the best sense of the word. Seeing him in action, I have been reminded of what was once said about another great Frenchman, Jean Monnet: "He was an entrepreneur in the public interest." That, combined with his characteristics and his beliefs, is what has made him so effective.

I must add a few words on what must drive the MD. He is motivated above all by his deep belief—it is a religious belief, but one to which people of all religions as well as non-believers can subscribe—in the unity of humankind, and by the belief that each of us is and must be our brothers' keeper. As he has said, "One cannot accept responsibility for oneself without taking it for others and for the world as well: helping to put your fellow man back on his feet and ensuring that the world is progressing toward unity."

He has taken that responsibility in creating the ESAF, and the PRGF, in pushing for high quality growth, in his emphasis on our duty to reduce poverty, and in heading this institution for thirteen years.

For all you have done, Mr. Chairman, we in the Fund who have had the privilege of working closely with you and learning so much from you, must be thankful. And hundreds of millions of people around the world who have benefited from all you have done, must be thankful too.

To the Managing Director, and to Mrs. Camdessus, who has supported the MD and so many others for so long: We thank you, for what you are, for what you have meant to all of us, for what you have done, and for what you will do.

Thank you, and Godspeed

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