

EMERGING MARKETS INCOME FUND INC
Form DEF 14A
November 16, 2001

THE EMERGING MARKETS INCOME FUND INC
125 BROAD STREET, NEW YORK, NEW YORK 10004

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

November 15, 2001

To the Stockholders:

The Annual Meeting of Stockholders (the "Meeting") of The Emerging Markets Income Fund Inc (the "Fund") will be held at Salomon Smith Barney Inc., 388 Greenwich Street, 26th Floor, Conference Room H, New York, New York, on Thursday, December 13, 2001, at 3:00 p.m., New York time, for the purposes of considering and voting upon the following:

1. The election of a director (Proposal 1); and
2. Any other business that may properly come before the Meeting.

The close of business on November 8, 2001 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting.

By Order of the Board of Directors,

Christina T. Sydor
Secretary

TO AVOID UNNECESSARY EXPENSE OF FURTHER SOLICITATION, WE URGE YOU TO INDICATE VOTING INSTRUCTIONS ON THE ENCLOSED PROXY, DATE AND SIGN IT AND RETURN IT PROMPTLY IN THE ENVELOPE PROVIDED, NO MATTER HOW LARGE OR HOW SMALL YOUR HOLDINGS MAY BE.

INSTRUCTIONS FOR SIGNING PROXY CARDS

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund of validating your vote if you fail to sign your proxy card properly.

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1. Individual Accounts: Sign your name exactly as it appears in the registration on the proxy card.
2. Joint Accounts: Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.
3. All Other Accounts: The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

REGISTRATION -----	VALID SIGNATURE -----
 CORPORATE ACCOUNTS -----	
(1) ABC Corp.	ABC Corp. (by John Doe, Tr
(2) ABC Corp.	John Doe, Treasurer
(3) ABC Corp., c/o John Doe, Treasurer	John Doe
(4) ABC Corp. Profit Sharing Plan	John Doe, Trustee
 TRUST ACCOUNTS -----	
(1) ABC Trust	Jane B. Doe, Trustee
(2) Jane B. Doe, Trustee, u/t/d 12/28/78	Jane B. Doe
 CUSTODIAL OR ESTATE ACCOUNTS -----	
(1) John B. Smith, Cust., f/b/o John B. Smith, Jr. UGMA	John B. Smith
(2) John B. Smith	John B. Smith, Jr., Execut

THE EMERGING MARKETS INCOME FUND INC

125 BROAD STREET, NEW YORK, NEW YORK 10004

PROXY STATEMENT

This proxy statement is furnished in connection with a solicitation by the Board of Directors of The Emerging Markets Income Fund Inc (the "Fund") of proxies to be used at the Annual Meeting of Stockholders of the Fund to be held at Salomon Smith Barney Inc., 388 Greenwich Street, 26th Floor, Conference Room H, New York, New York on Thursday, December 13, 2001, at 3:00 p.m., New York time (and at any adjournment or adjournments thereof) for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. This proxy statement and the accompanying form of proxy are first being mailed to stockholders on or about November 15, 2001. Stockholders who execute proxies retain the right to revoke them in person at the Meeting or by written notice received by the Secretary of the Fund at any time before they are voted. Unrevoked proxies will be voted in accordance with the specifications thereon and, unless specified to the contrary, will be voted FOR the election of a director. The close of business on November 8, 2001 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting. Each stockholder is entitled to one vote for each full share and an appropriate fraction of a vote for each fractional share held. On November 8, 2001, there were 4,050,854 shares of the Fund's Common Stock

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outstanding.

In accordance with the Fund's By-Laws, a quorum is constituted by the presence in person or by proxy of the holders of record of a majority of the outstanding shares of the Fund's Capital Stock entitled to vote at the Meeting. In the event that a quorum is not present at the Meeting, or in the event that a quorum is present but sufficient votes to approve any of the proposals are not received, the persons named as proxies may propose one or more adjournments of the Meeting to a date not more than 120 days after the original record date to permit further solicitation of proxies. Any such adjournment will require the affirmative vote of a majority of those shares represented at the Meeting in person or by proxy. The persons named as proxies will vote those proxies which they are entitled to vote FOR or AGAINST any such proposal in their discretion. A stockholder vote may be taken on one or more of the proposals in this proxy statement prior to any such adjournment if sufficient votes have been received for approval.

PIMCO Advisors L.P. ("PIMCO Advisors"), whose principal business address is 888 San Clemente Drive, Suite 100, Newport Beach, California 92660, is the Fund's investment manager.

Salomon Brothers Asset Management Inc ("SBAM"), whose principal business address is 125 Broad Street, New York, New York 10004, is the Fund's investment adviser. SBAM is a direct wholly-owned subsidiary of Salomon Smith Barney Holdings Inc.

SUMMARY OF PROPOSAL

PROPOSAL 1: ELECTION OF A DIRECTOR

In accordance with the Fund's Charter, the Fund's Board of Directors is divided into three classes: Class I, Class II and Class III. At the Meeting, stockholders will be asked to elect one Class II Director to hold office until the year 2004 Annual Meeting of Stockholders or thereafter when his respective successor is duly elected and qualified. The terms of office of the Class III Directors and Class I Directors expire at the Annual Meeting of Stockholders in the year 2002 and 2003, respectively, or thereafter in each case when their respective successors are duly elected and qualified. The effect of these staggered terms is to limit the ability of other entities or persons to acquire control of the Fund by delaying the replacement of a majority of the Board of Directors.

The persons named in the accompanying form of proxy intend to vote at the Meeting (unless directed not to vote) FOR the election of the nominee named below. The nominee for election currently is a member of the Fund's Board of Directors and has not previously been elected as a director by the Fund's stockholders. The nominee has indicated that he will serve if elected, but if he is unable to serve, the proxy will be voted for any other person determined by the persons named in the proxy in accordance with their judgment. As of April 20, 2001, Charles F. Barber became a director emeritus of the Fund. Mr. William D. Cvengros resigned as a Director of the Fund. The Fund represents that Mr. Cvengros did not resign due to any disagreement with management in connection with the management of the Fund's affairs.

The following table provides information concerning the nominees for election as directors:

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NOMINEE AND PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS	DIRECTOR SINCE	AGE	COMMON STOCK
			BENEFICIALLY DIRECTLY INDIRECTLY AUGUST 31, SHARES (
NOMINEE TO SERVE UNTIL 2004 ANNUAL MEETING OF STOCKHOLDERS CLASS II DIRECTORS			
Stephen J. Treadway*, Co-Chairman; Chairman and President of PIMCO Funds Distributors LLC ("PFD") since May 1996. Formerly employed by Salomon Smith Barney Inc. ("SSB").	2000	54	0

(A) No Director held more than 1% of the outstanding shares of the Fund's Common Stock as of August 31, 2001. Each Director has sole voting and investment power with respect to listed shares.

* "Interested person" as defined in the Investment Company Act of 1940, as amended (the "1940 Act").

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DIRECTORS AND PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS	DIRECTOR SINCE	AGE	COMMON STOCK
			BENEFICIALLY DIRECTLY INDIRECTLY AUGUST 31, SHARES (
DIRECTORS SERVING UNTIL THE YEAR 2002 ANNUAL MEETING OF STOCKHOLDERS CLASS III DIRECTORS			
Heath B. McLendon*, Co-Chairman; Managing Director, SSB, President and Director, Smith Barney Fund Management LLC ("SBFM") and Travelers Investment Adviser, Inc. ("TIA").	1998	68	205
Leslie H. Gelb, Member of Audit Committee; President, The Council of Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, The New York Times.	2000	64	100
DIRECTORS SERVING UNTIL 2003 ANNUAL MEETING OF STOCKHOLDERS CLASS I DIRECTORS			
Dr. Riordan Roett, Member of Audit Committee; Professor and Director, Latin American Studies Program, Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University.	1997	62	100
Jeswald W. Salacuse, Member of Audit Committee; Henry J. Braker Professor of Commercial Law and formerly Dean, The Fletcher School of Law & Diplomacy, Tufts University.	2000	63	200

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 (A) No Director held more than 1% of the outstanding shares of the Fund's Common Stock as of August 31, 2001. Each Director has sole voting and investment power with respect to listed shares.

* "Interested person" as defined in the Investment Company Act of 1940, as amended (the "1940 Act").

In addition to serving as directors of the Fund, the nominee and each of the directors also serve as directors of certain other U.S.-registered investment companies, as described below. Mr. McLendon also serves as a director for five other investment companies co-advised by PIMCO Advisors and SBAM, 11 other investment companies solely advised by SBAM, 43 investment companies managed and/or administered by SBFM, six investment companies advised by TIA, seven investment companies managed by Travelers Asset Management International Corporation and 16 investment companies managed by Citi Fund Management Inc. Mr. Treadway also serves as a director for five other investment companies co-advised by PIMCO Advisors and SBAM and seven other investment companies advised by PIMCO Advisors and one or more of its affiliates. Dr. Roett and Mr. Salacuse also serve as directors for five investment companies co-advised by PIMCO Advisors and SBAM and four other investment companies solely advised by SBAM. Mr. Salacuse also serves as a director of two other registered investment companies advised by Advantage Advisers, Inc. ("Advantage") and one other registered investment company advised by CIBC Oppenheimer Advisers, L.L.C. ("CIBC Advisers"). Mr. Gelb also serves as a director for five other investment companies co-advised by PIMCO Advisors and SBAM, four other investment companies solely advised by SBAM, two other investment companies advised by Advantage and one other registered investment company advised by CIBC Advisers and TDA Capital Partners.

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At August 31, 2001, directors and officers of the Fund as a group owned beneficially less than 1% of the outstanding shares of the Fund's Capital Stock. To the knowledge of management, no person owned of record or beneficially more than 5% of the Fund's shares of Capital Stock outstanding at that date, except that Cede & Co., a nominee for participants in Depository Trust Company, held of record 3,886,843 shares, equal to approximately 96% of the outstanding shares of the Fund's Capital Stock.

The Fund's executive officers are chosen each year at the first meeting of the Fund's Board of Directors following the Annual Meeting of Stockholders, to hold office until the meeting of the Board following the next Annual Meeting of Stockholders and until their successors are duly elected and qualified. In addition to Messrs. McLendon and Treadway, the executive officers of the Fund presently are:

NAME -----	OFFICE -----	AGE ---	OFFICER SINCE -----
Peter J. Wilby	Executive Vice President	42	1994
Thomas K. Flanagan	Executive Vice President	58	1994
Newton B. Schott, Jr.	Executive Vice President	59	1997
Lewis E. Daidone	Executive Vice President and Treasurer	43	1998
Christina T. Sydor	Secretary	50	1998

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Mr. Wilby has also been a Managing Director of SBAM and SSB since January 1996. Prior to January 1996, he was a Director of SBAM and SSB. Mr. Flanagan has been a Managing Director of SBAM and SSB since December 1998. Prior to December 1998, he was a Director of SBAM and SSB. Mr. Schott has served as Senior Vice President of PIMCO Advisors since January 1997. He also currently serves as the Executive Vice President, Chief Administrative Officer, Secretary and General Counsel to PFD and has held such positions or other senior officer positions in PFD since May 1990. From November 1994 to December 1996, Mr. Schott served as Senior Vice President-Legal and Secretary to PIMCO Advisors, PFD's parent company. Mr. Daidone has served as a Managing Director of SSB since 1990. He is Director and Senior Vice President of SBFM and TIA and is the Senior Vice President, Treasurer and Chief Financial Officer of its mutual fund complex. Ms. Sydor joined SSB in 1986 and is currently a Managing Director of SSB. She is General Counsel of SBFM and TIA and also is Secretary of many investment companies sponsored by SSB.

The Fund's Audit Committee is composed entirely of Directors who are not "interested persons" of either the Fund, PIMCO Advisors, SBAM or their affiliates within the meaning of the 1940 Act, and who are "independent" as defined in the New York Stock Exchange listing standards. The Fund's Audit Committee is composed of Messrs. Roett, Gelb and Salacuse. The principal functions of the Audit Committee are: (i) to recommend to the Board the appointment of the Fund's independent auditors; (ii) to review with the independent auditors the scope and anticipated cost of their audit; and (iii) to receive and consider a report from the independent auditors concerning their conduct of the audit, including any comments or recommendations they might want to make in that connection. This Committee met once during the fiscal year ended August 31, 2001. The Fund has no nominating or compensation committees. The Fund adopted an Audit Committee Charter at a meeting held on May 23, 2000.

REPORT OF THE AUDIT COMMITTEE

Pursuant to a meeting of the Audit Committee on October 23, 2001, the Audit Committee reports that it has: (i) reviewed and discussed the Fund's audited financial statements with management; (ii) discussed with PricewaterhouseCoopers ("PwC"), the independent auditors to the Fund, the matters (such as the quality of the

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Fund's accounting principals and internal controls) required to be discussed by Statement on Auditing Standards No. 61; and (iii) received written confirmation from PwC that it is independent and written disclosures regarding such independence as required by Independence Standards Board Standard No. 1, and discussed with PwC the auditors' independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors (and the board has approved) that the audited financial statements be included in the Fund's annual report for the Fund's fiscal year ended August 31, 2001.

During the fiscal year ended August 31, 2001, the Fund's Board of Directors met four times. Each director attended at least 75% of the aggregate number of meetings of the Board and the committee for which he was eligible.

Under the federal securities laws, the Fund is required to provide to stockholders in connection with the Meeting information regarding compensation paid to directors by the Fund, as well as by the various other investment

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companies advised by PIMCO Advisors and/or SBAM. The following table provides information concerning the compensation paid during the fiscal year ended August 31, 2001. Each of the directors listed below is a member of the Audit Committee of the Fund and audit and other committees of certain other investment companies advised by PIMCO Advisors and/or SBAM, and accordingly, the amounts provided in the table include compensation for service on such committees. The Fund does not provide any pension or retirement benefits to Directors. In addition, no remuneration was paid during the fiscal year ended August 31, 2001 by the Fund to Messrs. McLendon and Treadway, who are "interested persons," as defined in the 1940 Act.

NAME OF DIRECTORS	AGGREGATE COMPENSATION FROM THE FUND FOR FISCAL YEAR ENDED 8/31/01	TOTAL COMPENSATION ADVISED BY SBAM A CALENDAR YE	DIREC
Dr. Riordan Roett	\$8,500	\$	\$
Leslie H. Gelb	\$8,500	\$	\$
Jeswald W. Salacuse	\$8,500	\$	\$

(A) The numbers in parentheses indicate the applicable number of investment company directorships held by that director.

Upon attainment of age 80, Fund directors are required to change to emeritus status. Directors emeritus are entitled to serve in emeritus status for a maximum of 10 years during which time they are paid 50% of the annual retainer fee and meeting fees otherwise applicable to Fund directors, together with reasonable out-of-pocket expenses for each meeting attended. During the Fund's last fiscal year, total compensation paid by the Fund to directors emeritus totaled \$7,175.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 and Section 30(h) of the 1940 Act in combination require the Fund's directors and officers, persons who own more than 10 percent of the Fund's Capital Stock, PIMCO Advisors and SBAM, and their respective directors and executive officers, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange, Inc. The Fund believes that all relevant persons have complied with applicable filing requirements during the fiscal year ended August 31, 2001.

REQUIRED VOTE

Directors are elected by a plurality of the votes cast by the holders of shares of the Fund's Common Stock present in person or represented by proxy at a meeting at which a quorum is present. For purposes of the election of directors, abstentions and broker non-votes will not be considered votes cast and do not affect the plurality vote required for directors.

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THE DIRECTORS, INCLUDING THE DIRECTORS WHO ARE NOT "INTERESTED PERSONS", UNANIMOUSLY RECOMMEND THAT THE STOCKHOLDERS VOTE "FOR" THE NOMINEE FOR DIRECTOR.

FEES PAID TO INDEPENDENT ACCOUNTANTS

AUDIT FEES. The fees for the annual audit of the Fund's financial statements by PwC for the fiscal year ended August 31, 2001 were \$50,000.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES. The aggregate fees billed for financial information systems design and implementation services rendered by PwC to the Fund, SBAM, PIMCO Advisors and entities controlled by or affiliated with SBAM and PIMCO Advisors that provide services to the Fund for the fiscal year ended August 31, 2001 were \$0. The Audit Committee of the Fund has determined that provision of these services is compatible with maintaining the independence of PwC.

ALL OTHER FEES. The aggregate fees billed for all other non-audit services, including fees for tax-related services, rendered by PwC to the Fund, SBAM, PIMCO Advisors and entities controlled by or affiliated with SBAM and PIMCO Advisors that provide services to the Fund for the fiscal year ended August 31, 2001 were \$941,000. The Audit Committee of the Fund has determined that provision of these non-audit services is compatible with maintaining the independence of PwC.

PROPOSALS TO BE SUBMITTED BY STOCKHOLDERS

All proposals by stockholders of the Fund which are intended to be presented at the Fund's next Annual Meeting of Stockholders to be held in 2002 must be received by the Fund for inclusion in the Fund's proxy statement and proxy relating to that meeting no later than August 15, 2002. Any stockholder who desires to submit a proposal at the Fund's 2002 Annual Meeting of Stockholders without including such proposal in the Fund's proxy statement must deliver written notice thereof to the Secretary of the Fund (addressed to The Emerging Markets Income Fund Inc, 125 Broad Street, New York, New York 10004) during the period from August 16, 2002 to September 16, 2002.

OTHER INFORMATION

The Fund's Annual Report containing financial statements for the fiscal year ended August 31, 2001 is available, free of charge, by writing to the Fund (c/o Salomon Brothers Asset Management Inc) at the address listed on the front cover, or by calling toll-free 1-888-777-0102.

EXPENSES OF PROXY SOLICITATION

The costs of preparing, assembling and mailing material in connection with this solicitation of proxies will be borne by the Fund. Proxies also may be solicited personally by officers of the Fund and by regular employees of SBAM, PIMCO Advisors or their affiliates, or other representatives of the Fund and by telephone or telegraph, in addition to the use of mails. Brokerage houses, banks and other fiduciaries may be requested to forward proxy solicitation material to their principals to obtain authorization for the execution of proxies, and will be reimbursed by the Fund for out-of-pocket expenses incurred for such activity.

OTHER BUSINESS

The Board of Directors of the Fund does not know of any other matter which may come before the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the proxy to vote the

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proxies in accordance with their judgment on that matter.

November 15, 2001

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THE EMERGING MARKETS INCOME FUND INC
PROXY SOLICITED ON BEHALF OF THE DIRECTORS

The undersigned hereby appoints Heath B. McLendon, Lewis E. Daidone, Robert A. Vegllante and Harris Goldblat, and each of them, attorneys and proxies for the undersigned, with full power of substitution and revocation to represent the undersigned and to vote on behalf of the undersigned all shares of The Emerging Markets Income Fund Inc (the "Fund") which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Fund to be held at the offices of Salomon Smith Barney Inc., 388 Greenwich Street, 26th Floor, Conference Room H, New York, New York on Tuesday, December 13, 2001, at 3:00 p.m., and at any adjournments thereof. The undersigned hereby acknowledges receipt of the Notice of Meeting and accompanying Proxy Statement and hereby instructs said attorneys and proxies to vote said shares as indicated hereon. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

THIS PROXY, IF PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED BY THE STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES AS DIRECTORS.

Please refer to the Proxy Statement for a discussion of the Proposals.

(CONTINUED ON REVERSE SIDE)

PLEASE DATE, SIGN AND MAIL YOUR
PROXY CARD BACK AS SOON AS POSSIBLE!

ANNUAL MEETING OF STOCKHOLDERS
THE EMERGING MARKETS INCOME FUND INC

DECEMBER 13, 2001

|
\\ / Please Detach and Mail in the Envelope Provided \\ /
|

[X] Please mark your |
votes as in this |
example.

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	WITHHOLD		
	Authority to vote		
	FOR Nominee	for nominee	
	listed at right	listed at right	
1. ELECTION	[]	[]	NOMINEE: Stephen J. Treadway
OF			
DIRECTOR			

2. Any other business that may properly come before the meeting.

3. I will be attending the meeting. []

PLEASE COMPLETE, SIGN AND DATE HEREON AND MAIL IN ACCOMPANYING POSTPAID ENVELOPE.

SIGNATURE	DATE	, 2001	SIGNATURE	DATE	, 2001
-----	-----		-----	-----	
IF JOINTLY HELD					

NOTE: Please sign this proxy exactly as your name appears on this Proxy. If joint owners, EITHER may sign this Proxy. When signing as attorney, executor, administrator, trustee, guardian or corporate officer, please give your full title.