



Bern, Switzerland February 12, 1993

Dr. Ulrich Gygi, Director Department of Finance Bern

Dear Dr. Gygi:

I am referring to our October 30 meeting in which we explored how we could cooperate to foster democratic and market-oriented reforms in the Central Asian states of Switzerland's IMF consitutency. Following our meeting, I transmitted specific suggestions regarding such cooperation to the U.S. Department of State, the Treasury Department, and other appropriate offices in Washington.

In a recent message, the Department of State has conveyed the views of Washington agencies on such cooperation. These views can be outlined as follows:

- I. Day-to-day IMF issues would be handled at the IMF in Washington by the U.S. and Swiss Executive Directors. (We note in this regard that the Swiss Embassy in Washington and the Swiss IMF Executive Director's office have already established good working relationships in the Treasury Department and with the U.S. Executive Director's office at the IMF.)
- II. The State Department and the U.S. Embassies in Bern and the Central Asian capitals would facilitate exchanges of information with Swiss Government Departments on political and economic developments in the countries of the Swiss constituency (Poland excluded).
- -- Prior to major international conferences on assistance issues, the U.S. Embassy in Bern would transmit to the Swiss Government "fact sheets" with information on political and economic conditions, and on U.S. assistance programs. These "fact sheets" would be similar to those provided on October 30.
- -- The Department of State will continue to brief Swiss Embassy officials on developments in the countries of the Swiss constituency.



-- Swiss officials would be welcomed at our Embassies in Central Asia, and have already called upon us in some capitals of this area. We believe it would be mutually beneficial for U.S. Embassy officials to share appropriate information with visiting Swiss officials.

III. The Department of State is exploring the idea of establishing regular consultations at a high level with Swiss officials to discuss political and economic developments in the Central Asian countries of the Swiss constituency. These consultations might occur, for instance, at the time of the Annual Bank/Fund meeting when appropriate Swiss officials will already be in Washington.

In conclusion, I would like to note that we believe that the Government of Switzerland will have much information to share with us as well. We understand that you have focused your assistance program to the region on building financial markets. I look forward to hearing how Swiss efforts have fared and your thoughts on other developments in the region.

Sincerely,

Basil S. Scarl

Basil G. Scarlis Counselor for Political and Economic Affairs

cc. Alexei Lautenberg, Department of Foreign Affairs Silvio Arioli, Foreign Economic Affairs Office (BAWI)