

to introduce a free liberal economy and to penalize the results of such a liberal economy. He stated: "In fact, the high taxation of profits and 'liberated' salaries has caused a reduction of production, as industrialists have no motivation either to modernize or to increase their productivity. Nor will they venture out into trying new technologies. One of the characteristic features of this transition period consists in the growing influence of bureaucrats, and especially those who possess the right, so to speak, of deciding whether it is rainy or fine economic weather . . . that is, to register or not register an enterprise, or to accord or refuse credits, and so on. This situation has led to considerable corruption in nearly all state institutions: the parliament, ministries, universities, schools, tribunals, police. Systematic screening and the fight against this scourge, which some believe to be the number-one threat to the state system, are hindered by a lack of appropriate laws and of qualified personnel."

Korastelev reminded his audience that the evil of money-laundering corruption could not be reduced to a problem of lawyers, because "this 'evil' has a quasi-global character."

Evasions

In the light of such identified problems, the behavior of western representatives, at least in public, seemed curious at best. The British delegation made a big deal about the fact that the U.K. would be the first of all countries to ratify the European Convention on Money Laundering, thereby, presumably, changing national laws to allow lifting of banking secrecy and confiscation of illegal money both at home and abroad. One Mr. Greenberg, chief of the money-laundering division of the U.S. Department of Justice (which presumably investigates, rather than engages in, the practice), boasted about the recent "anti-drug" successes of the Bush administration.

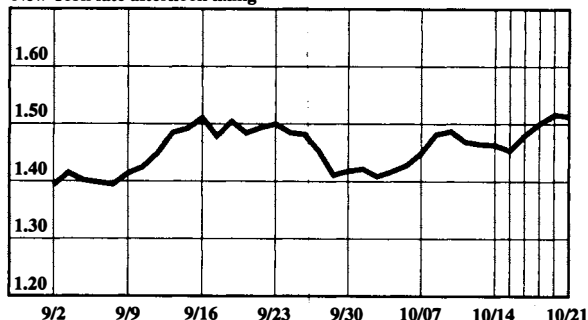
A Mr. Fischbach, the minister of justice from that well-known fiscal paradise of Luxembourg, solemnly demanded "an unbreachable internal solidarity with reinforced means of investigations for police and magistrates." Fischbach, however, could only reply, "No comment," when a journalist asked him to comment on the closing of the Bank of Credit and Commerce International (BCCI) because of drug-money laundering.

Indeed, most questions received no answers. One journalist asked how the participants could focus so much on merely technical problems, when such higher-ups as the former vice president of the United States had routinely utilized drugs-for-arms swaps operations, along with Col. Oliver North et al., in the Iran-Contra affair. To this, Council of Europe Secretary Catherine Lalumière darkly warned that threats and dangers exist that prevent people from naming names, that "we are not amongst good company" in the world as it is today, and that investigations are "still under way."

Currency Rates

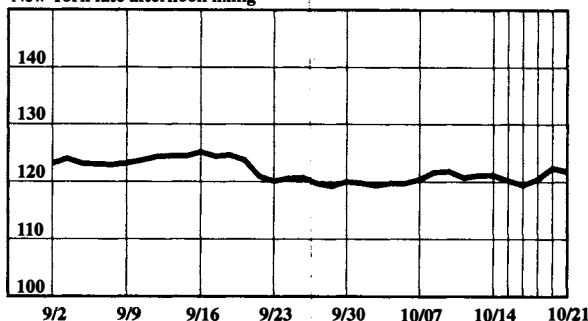
The dollar in deutschemarks

New York late afternoon fixing



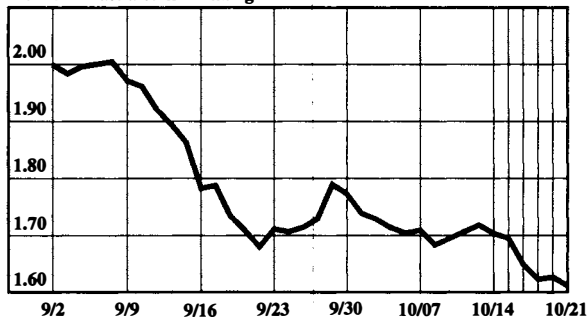
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

