

## Currency Rates

"Off-balance-sheet business" for "capital adequacy"? The "new developments and techniques" cited, for what a normal person calls "money-laundering," were the subject of a Nov. 25-26 conference of the International Institute of Finance (IIF). Mr. Cooke, and at least five other officials of the Cooke Committee, were in Washington, D.C. to participate.

Their panel was entitled precisely: "Capital Adequacy and Off-Balance-Sheet Credit."

The IIF—comprised of 189 banks of the "creditors' cartel"—is chaired by Richard Devereux Hill, chairman of the board of the Bank of Boston through December 1984, covering the period for which that bank was convicted of \$1.2 billion in "unreported cash transactions" with nine foreign banks, including Switzerland's three largest.

### Other 'coincidences'

On Nov. 21, a veteran Basel source stated: "I have heard no news of money-laundering here for weeks. The scene is very quiet, since about three months ago." He reported that, around that time, during the last days of August, there was a meeting between officials of the Swiss Federal Ministry of Justice and Ministry of Foreign Affairs, on the one side, and officials of the U.S. Justice Department, State Department, and Securities and Exchange Commission, on the other. On the Swiss side, the officials at the meetings included one Herr Krafft, from the international public law bureau of the Swiss Foreign Ministry, and Herrs Schmid and Krauskopf from the Swiss Justice Ministry. Known U.S. participants included a Mr. Lynch from the SEC, and a Mr. Olson from the criminal fraud division of the Justice Department.

"The talks were the second round of exchanges of this year, to discuss the Legal Aid Agreement (*Rechtshilfe Abkommen*) between the United States and Switzerland, according to which any investigations into bank practices here, must be done by the Swiss authorities themselves," stated the source in Basel. "This has been a cause of contention between the two countries, but the final statement said the talks were very useful, necessary, and constructive, that there had been a climate of cooperation, and not confrontation.

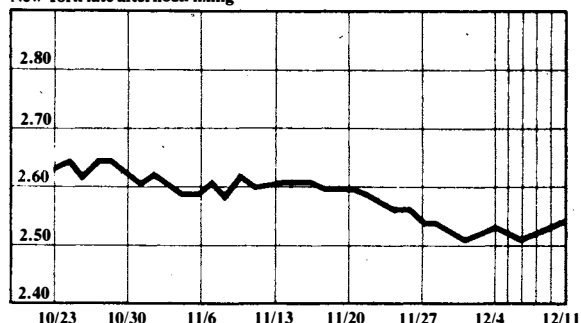
"It may be a coincidence," he concluded, "but you could date the lack of news on money-laundering here, to the same time as these meetings."

In March 1985, datelined Zurich, the *International Herald Tribune* published a feature entitled, "Tracking the Money Launderers: U.S. Officials Look to Switzerland." That piece quotes the head of the President's Commission on Organized Crime, James D. Harmon, saying: "Some international financiers may soon turn into international fugitives. In war time, Swiss neutrality may be viewed as morally admirable, but in the war against the drug trade, neutrality amounts to complicity."

One American source in Europe told this correspondent: "I thought that article would provoke all sorts of things, but instead, the issue is dying. It's very strange."

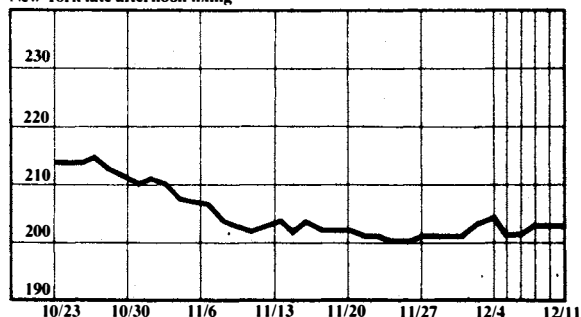
### The dollar in deutschmarks

New York late afternoon fixing



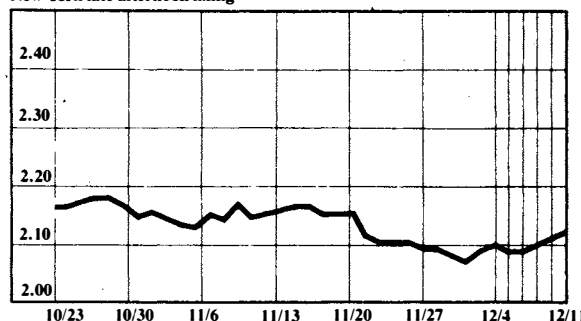
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

