



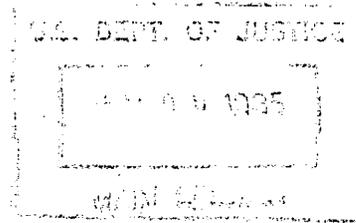
Department of Justice

ADDRESS

OF

THE HONORABLE EDWIN MEESE III
ATTORNEY GENERAL OF THE UNITED STATES

BEFORE



THE SWISS-AMERICAN CHAMBER OF COMMERCE
SWISS BAR ASSOCIATION
SWISS BANKERS ASSOCIATION

1:00 P.M., ZURICH TIME
THURSDAY, DECEMBER 5, 1985
ZURICH, SWITZERLAND

NOTE: Because Mr. Meese often speaks from notes, the speech as delivered may vary from this text. However, he stands behind this speech as printed.

The greeting which I bring to you today is the special greeting that can only be extended by one democratic republic to another. It is the greeting of a young nation, born in liberty only 209 years ago, to a democracy founded nearly 700 years ago, the oldest in the world.

It has been claimed by some students of history that democracies, like May flowers, are not long for this world. Though many peoples are born with the desire for liberty, few are bred to it. Against an historical field of nations that dared not or could not attain the dream of ordered liberty, the Swiss Confederation has long stood in welcome relief.

For a young republic, like our own, it is heartening to see a kindred spirit, nourished on liberty and industry, still vibrant and healthy after so many years. With God's blessing and the vigilance and sacrifice of her citizens, America, like the Swiss Confederation, will weather the challenges of 700 years.

Though many differences in history and geography distinguish our two countries, we also share certain fundamentals, which -- I cannot help but believe -- contribute to our common heritage of freedom and fierce independence.

America is a large, expansive, fertile country, bounded by great oceans. By contrast, the Swiss Confederation is small, mountainous and landlocked. But both our countries are

commercial republics -- trading nations -- committed to free and open trade, and enjoying the fruits of robust capitalism. Our standards of living are virtually unrivaled. Nowhere else do citizens live freer. It is hardly surprising then that our two peoples share an almost instinctive understanding of the inseparability of economic and political freedom.

The United States and the Swiss Confederation also have in common great diversity -- of ethnic groups, of language, of religion, even, of land. Nonetheless, despite this remarkable diversity, each of our countries is united. What has been the solution to this apparent paradox? Federalism. Only a federalism which disperses power among the different levels of government could bring such heterogeneous elements together under one cohesive system of government.

The genius of the American Founding Fathers was to take this federal insight -- gleaned by their generation from Montesquieu -- and apply it to an extended republic. No less sage were the men from Schwyz, Uri and Nidwalden -- the three original Swiss cantons -- who met in that early year of 1291 to form the Everlasting League, the traditional antecedent to the Swiss Confederation.

Our forefathers understood the great paradox of federal republics: the entire nation is strengthened, not weakened, by division into small communal units of government. Their federal legacy lives on. Today, the Swiss Confederation consists of over 3,000 autonomous local and cantonal governments, while the United

States is a matrix of towns, counties and states, along with the federal government. Indeed, this federal solution echoes in the very names of our republics -- the United States and the Swiss Confederation.

Our sub-national units, for the most part, have grown up naturally, sanctioned by custom and tradition. They afford our citizens the opportunity to participate in community government. This participation engenders a love of freedom and an attachment to the community, which unites each citizen to his or her fellows, not only locally but nationally. For it is autonomy, not centralization, which allows a diverse people to transcend their ethnic, religious and language differences and form a more perfect union.

I believe federalism to be the most powerful political arrangement on earth. It is the basic organizing principle of political action. Historically, in times of upheaval, we have seen the spontaneous formation of citizens associations and councils and their subsequent federation. The federal principle is a fundamental one, discarded only at great cost and often with great violence, as the aborted Russian Revolution, the crushed Hungarian uprising, and the repression of Polish Solidarity have shown. Honoring this principle, nations have flourished. Wisely, our forefathers enshrined it in our fundamental political documents, our federal constitutions.

With so many fundamental values and principles in common, our two federal republics should be able to work together closely. Our differences are small compared to the sort of fundamental tensions between democratic and totalitarian societies which were aired recently in Geneva. Incidentally, let me say, for all Americans, that we appreciate the Swiss role in hosting the summit with the Soviet Union.

The meeting, of course, focused the world's attention on the need for cooperation to achieve our mutual security. It also underscored the need for international efforts on behalf of fundamental political rights.

Today, I would like to address another area where international cooperation is in our mutual interest, that is criminal justice.

Crime and criminal enterprises, of course, do not respect territorial boundaries. This is particularly true of four types of criminal activity which afflict open societies today: drug trafficking, organized crime, terrorism and economic crime.

The illicit business of an international drug cartel touches many countries. Cocaine on its way to the United States market from Colombia, for example, may be transshipped in the Bahamas, or heroin bound to the United States from the Far East or Turkey may pass through or remain in France. Along the way, great sums of money change hands. Dirty cash must be laundered and banked. These financial transactions may involve not only domestic banks but offshore and international banking centers.

Drug traffickers have grown increasingly sophisticated, and employ a variety of professional persons -- lawyers, bankers, accountants -- at one or more removes from the actual exchange of drugs. Complete vertical integration of operations is now the rule, not the exception. From production to dealing to banking, it's all one organized criminal group. Indeed, narcotics trafficking has become synonymous with organized crime, and must be dealt with as such, using all the legal tools at our disposal.

Syndicates organized for other criminal purposes are equally international in their scope of operation. The link between organized crime families in Sicily and the United States, for example, is well-known. I am pleased to say that the United States and Italy working together have made great strides in bringing the mafia to heel. The joint Italian-American Working Group to Combat Organized Crime and Narcotics Trafficking, which was established in 1984, has become a model of international cooperation in criminal justice matters.

Less than a month ago, the Working Group, which I jointly chaired with Italian Minister of the Interior, Scalfaro, held its third meeting in Washington. Our cooperation has been so effective in combatting organized crime, including drug trafficking, that we have decided to extend the mandate of the Working Group to cover all forms of terrorism.

Terrorism poses a grave challenge to the civilized world. A terrorist attack is not merely an attack on an individual, against a political party, a business or a particular government.

It is an attack on the rule of law and the values of civilization itself. The bombing of a church or an embassy or the shooting of a diplomat may cause immediate damage to a particular country. But in a full sense it attacks and injures all nations and all people that adhere to the rule of law. Make no mistake. There is at work in the world today a coordinated effort on the part of those who would tear asunder the tapestry of law, reason and justice that has been painfully knit by western man over the past two thousand years. The United States calls on the Swiss Confederation and all civilized nations to join it in repelling these barbaric assaults.

A fourth category of crime which I would like to address briefly is economic crime--bank fraud, securities fraud, investment fraud, mail and wire fraud, government procurement fraud, bribery of foreign officials, and the like. Unlike the terrorist who seeks maximum publicity for his repulsive deeds, the white collar criminal shuns public scrutiny. Indeed, one of the problems which we face in combatting white collar crime is the difficulty of detection. Much economic crime, perhaps the greater part of it, goes unreported. Consequently, the exact magnitude of economic crime in the United States is difficult to judge. But clearly, economic crime siphons billions of dollars a year from our economy. It adds to the cost of goods and services, and diminishes the revenues otherwise available to our government treasuries, increasing the financial burden on all of us.

Pursuit of white collar criminals must not be relegated to a low priority simply because such criminals are more likely to employ sophisticated financial methods than force in taking their victims. For not only does economic crime divert funds from the public coffers and more beneficial private uses, it strikes individual victims very hard and undermines public confidence in both our criminal justice and our economic system. We must, then, place ourselves above even the appearance of sanctioning fraud.

This Administration has been hard at work fighting economic crime. Economic crime prosecutions have risen as a percentage of total federal prosecutions to 24 percent during the Reagan Administration, compared with other recent administrations, which ranged from 8 percent to 20 percent. During my own tenure of office as Attorney General -- a little over 8 months -- we have compiled an unprecedented record of major prosecutions against white collar criminals. But rather than resting on our laurels, we are redoubling our efforts to bring white collar criminals to justice.

Thus far, I have outlined four types of criminal activity -- drug trafficking, organized crime, terrorism and economic crime -- which urgently demand the attention of civilized nations. Recent experience has shown that any nation acting alone will have a hard go of it. International crime is best addressed by nations acting jointly, each fully respecting each other's sovereignty.

Such cooperation is often given expression in the form of treaties. The treaties we have sought are principally of two types: mutual legal assistance and extradition.

Let me begin with mutual legal assistance treaties, which are growing in importance as a law enforcement tool. The Swiss Confederation has the distinction of being the first country to enter into such an agreement with the United States. The Treaty Between the United States of America and the Swiss Confederation on Mutual Legal Assistance in Criminal Matters (signed in 1973, and put in force in 1977), covers those crimes mutually recognized by our two governments. Under this treaty, the United States has made over 200 requests to the Swiss government for assistance. We are gratified that effective assistance to our prosecutors has been very forthcoming.

Since 1981, the United States has completed, negotiated or begun negotiating mutual assistance treaties with some 14 other nations. Presently, we have treaties in effect with the Netherlands, Turkey and -- beginning this year -- Italy. Treaties with Colombia and Morocco await ratification by their respective governments. And a treaty with Canada has just been signed and awaits ratification by both parties.

Negotiations also are underway with the Federal Republic of Germany, Israel, Sweden, Jamaica, Thailand, Panama, and the Bahamas.

The number of extradition treaties which the United States has in place is much greater. In 1980, there were approximately 100 in effect -- too many signatory nations to list here. However, let me highlight the additions since 1980. They are Mexico, Japan, the Netherlands, Colombia, Uruguay, Turkey, Sweden, Italy and Ireland.

As you can see, many regions of the world are represented in these new extradition treaties. I take this to be a signal that civilized nations increasingly recognize their responsibility to join with others in controlling crime.

In addition to these newly ratified treaties, we have agreements with other nations in various stages of completion. Extradition treaties with Costa Rica, Jamaica and Thailand await ratification by their respective governments.

At the moment, the United States is also negotiating new treaty provisions with Israel, Belgium, France and -- of particular interest to you -- the Swiss Confederation.

The new Swiss-American extradition treaty which our governments began negotiating in 1982, will replace an agreement signed in 1900 and amended by supplementary protocols in 1935 and 1940. So far we have held four rounds of negotiations, the most recent in Bern, this past May.

Our government is grateful to yours for its outstanding cooperation in extraditing fugitives, particularly in narcotics cases. For example, the Federal Office for Police Matters in a

case which recently reached your country's highest court won the extradition on narcotics-related charges of former race car driver John Paul Lee.

Our two governments have even demonstrated a willingness to cooperate in extraditions which fall outside of the express provisions of the treaty of 1900. For example, the United States recently sought the extradition of an alleged child molester. Even though the alleged offenses were not covered by the agreement, your government mounted a large manhunt and promised to deport the offender to the United States if he were found. As it turns out, the defendant was subsequently located in France. Nonetheless, we were gratified by the spirit of cooperation which your government displayed.

In another, unrelated case, Swiss authorities asked us to look for a child pornographer. Notwithstanding that the defendant's crime was not covered by the treaty of 1900, we located and deported him to the Swiss Confederation, where he was tried. Let me add parenthetically, we deeply sympathize with the efforts of your government to fight the sexual exploitation of children. At the moment, the U.S. Commission on Pornography is holding a series of hearings around our country to re-examine the effect of pornography on society. We are particularly interested whether pornography has the effect of stimulating violence and other anti-social behavior.

As I mentioned earlier, because of the highly integrated nature of drug trafficking syndicates, major financial operations are often part and parcel of one large criminal enterprise. Tremendous sums of cash are created by drug sales and the viability of a syndicate depends in large measure on its ability to process them. If it cannot turn countless "dirty" bills into untraceable, readily usable forms, such as cashier checks, the syndicate will, figuratively speaking, choke on its own money. Consequently, by striking at money laundering, law enforcement officials can shake an entire criminal enterprise.

This Administration recently has proposed to Congress legislation which for the first time will make money laundering a federal crime. This legislation, when enacted, will enable us to strike at the heart of predatory drug syndicates, which for too many years have eluded justice by hiding their assets.

We also applaud the steps which the Swiss Bankers' Association has taken in its agreement with the Swiss National Bank to see that Swiss bank facilities are not used for illegal purposes such as money laundering.

Let me say in closing that it gives me great satisfaction as Attorney General to have an opportunity to advance mutual Swiss-American interests. The United States feels a strong bond of friendship with the Swiss Confederation and has a deep admiration for the extraordinary accomplishments of the Swiss people.

Lest we should stray from the path of democracy and the path of ordered liberty, our two countries need only look to their foundings for guidance. Americans to their Declaration of Independence and Constitution of 1789. The Swiss to the formation of the Everlasting Alliance.

Coming together from the the cantons of Schwyz, Uri and Nidwalden in 1291, your forefathers swore an oath--much as ours pledged their lives, their property and their sacred honor--and sealed a written document to mark the formation of a perpetual alliance. Henceforth, it was agreed, the Swiss would settle their disagreements by law and not by violence. They provided for their mutual defense, and for the punishment of crime.

We do honor to our founders, Swiss and American, and honor to each other, too, when we join together in treaties like the mutual assistance and extradition treaties, pledging our support for the rule of law. I am grateful that I have a role to play in that alliance, and grateful, too, for this opportunity to be with you today.

Thank you.