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[Toronto],06/19/1988-06/20/1988)
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48

581653

ID # _____

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

F0006-13

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD)

88/05/20

Name of Correspondent: MON JOHN KERRY

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: URGES PRESIDENT TO DISCUSS WITH OTHER NATIONS AT THE UPCOMING ECONOMIC SUMMIT THE POSSIBILITY OF CREATING A MULTINATIONAL TASK FORCE DESIGNED TO SHARE INFORMATION, AND PROMOTE THE ADOPTION OF LAWS AGAINST MONEY LAUNDERING + FOSTER PROGRAMS ON THIS ISSUE

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD	
LAKRAN		ORIGINATOR	88/05/20	AK		880524	TR
✓ 99 DOT		Referral Note: R	88/05/27	NAN	C	88/06/20	TR
✓ Tres		Referral Note: R	88/06/23			88/09/02	TR
LAKRAN		Referral Note: A	88/09/12		C	88/09/12	TR
		Referral Note:					
		Referral Note:					

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: 4 Media: L Individual Codes: 1.210 1.220

Prime Subject Code: EO 006-13 Secondary Subject Codes: HE 006.01
FI 002
.

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C		Time: _____	P- _____
DSP		Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence
 - n - 0 - Unknown
 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie

- CLn - First Lady's Correspondence
 - n - 0 - Unknown
 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study



DEPARTMENT OF THE TREASURY
WASHINGTON

88-66483
581653-WH

SEP 02 1988

ASSISTANT SECRETARY

Dear Senator Kerry:

It is with pleasure that I am responding to your letter to President Reagan dated May 18, 1988. In your letter you review the worldwide narcotics problem and point out the need for an "international ... control regime" to promote the adoption of laws against, and the sharing of information relevant to, money laundering. You encouraged President Reagan to include these matters at the economic summit that was convened in Toronto on June 20-22, 1988.

Sharing your concerns, this office provided briefing materials on these issues to the United States diplomats charged with identifying issues to be included on the Summit agenda. As you know, our efforts met with success and narcotics trafficking and related money laundering were included on the agenda for the Toronto Summit.

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For your information, the first meeting of this task force has been scheduled for September 6 - 8, 1988. The Departments of State, Treasury and other United States agencies have begun preparations for what will be, as set forth at the Toronto Summit, an important part of a broader effort to crack down on the production, trafficking and financing of illegal drugs. As noted by the leaders of the Summit Seven nations, part of that broader effort includes the "... successful negotiation in Vienna in November of a United Nations Convention on illicit trafficking." The negotiation of the U.N. Convention on Narcotics trafficking began in 1987 and the United States delegation negotiating this Convention comprises attorneys from the United States Customs Service and the Department of Justice.

The U.N. Convention on Narcotics Trafficking contains several articles that will be of particular interest to you. For example, Article 2 of that convention, as presently drafted, requires all contracting parties to establish, among other things, money

laundering as a criminal offense. Article 3 makes provision for the identification, tracing, seizure and forfeiture of proceeds and instrumentalities of narcotics trafficking and money laundering. It further obligates contracting parties to assist one another in identifying, tracing, seizing and forfeiting such proceeds and instrumentalities. Finally, Article 4 of that convention embodies an agreement that money laundering will be deemed to be included in existing extradition treaties.

The final negotiating session of the U.N. Convention on Narcotics Trafficking began on Monday, June 27, and was concluded on July 8, 1988. It is anticipated that the final draft, produced by the expert working group, will be presented to the Plenipotentiary Conference to be sponsored by the U.N. and scheduled for November, 1988.

I share your view that narcotics trafficking and money laundering are international problems that can be effectively addressed only through multinational cooperation. In light of the Panama experience, I also share your frustration with the impediments sometimes posed by foreign bank secrecy laws. Nevertheless, as Treasury has discussed at length with your staff, we strongly disagree with your proposed legislative solution of requiring currency reporting by foreign banks in response to U.S. subpoenas.

This unprecedented attempt at extraterritorial application of a U.S. regulatory requirement would prove unenforceable and counterproductive to ongoing international cooperative efforts such as the Economic Summit task force. The proposal would jeopardize the market position of U.S. banks abroad and work against our goal of maintaining the United States as an international financial center. Most importantly, we do not believe that it will serve as an inducement to countries to negotiate mutual legal assistance agreements and will result in a negligible amount of information of use in ongoing investigations. For all these reasons, I urge you to reconsider pursuing this proposal.

I trust this information has answered the concerns expressed in your letter. Should you wish to discuss these issues, please do not hesitate to call upon me.

Sincerely,



Salvatore R. Martoche
Assistant Secretary
(Enforcement)

The Honorable John Kerry
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

Enclosure



DEPARTMENT OF THE TREASURY
WASHINGTON

ASSISTANT SECRETARY

SEP 02 1988

Dear Senator Murkowski:

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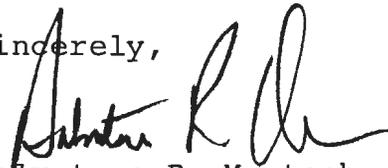
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I trust this information has answered the concerns expressed in your letter. Should you wish to discuss these issues, please do not hesitate to call upon me.

Sincerely,



Salvatore R. Martoche
Assistant Secretary
(Enforcement)

The Honorable Frank Murkowski
United States Senate
Washington, D.C. 20510

Enclosure



DEPARTMENT OF THE TREASURY
WASHINGTON

SEP 02 1988

ASSISTANT SECRETARY

Dear Senator McConnell:

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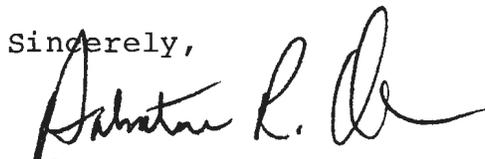
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I trust this information has answered the concerns expressed in your letter. Should you wish to discuss these issues, please do not hesitate to call upon me.

Sincerely,



Salvatore R. Martoche
Assistant Secretary
(Enforcement)

The Honorable Mitch McConnell
United States Senate
Washington, D.C. 20510

Enclosure



DEPARTMENT OF THE TREASURY
WASHINGTON

SEP 02 1988

ASSISTANT SECRETARY

Dear Senator Adams:

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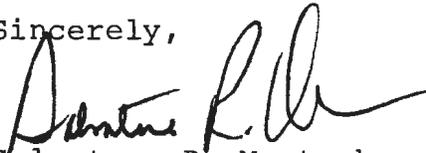
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I trust this information has answered the concerns expressed in your letter. Should you wish to discuss these issues, please do not hesitate to call upon me.

Sincerely,



Salvatore R. Martoche
Assistant Secretary
(Enforcement)

The Honorable Brock Adams
United States Senate
Washington, D.C. 20510

Enclosure



DEPARTMENT OF THE TREASURY
WASHINGTON

SEP 02 1988

ASSISTANT SECRETARY

Dear Senator Moynihan:

It is with pleasure that I am responding to your letter to President Reagan dated May 18, 1988. In your letter you review the worldwide narcotics problem and point out the need for an "international ... control regime" to promote the adoption of laws against, and the sharing of information relevant to, money laundering. You encouraged President Reagan to include these matters at the economic summit that was convened in Toronto on June 20-22, 1988.

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I trust this information has answered the concerns expressed in your letter. Should you wish to discuss these issues, please do not hesitate to call upon me.

Sincerely,



Salvatore R. Martoche
Assistant Secretary
(Enforcement)

The Honorable Daniel P. Moynihan
United States Senate
Washington, D.C. 20510

Enclosure



U.S. Department of Justice
Office of the Deputy Attorney General
Executive Secretariat

June 20, 1988

NOTE TO: Sally Kelley, Agency Liaison, WH

FROM: Geraldine Jennings, DOJ/Exec. Sec./633-2063

RE: White House Correspondence

Based on the recommendation(s) from the office(s) best suited to respond to the following correspondence; please transmit.

FROM

*Senator John Kerry
ID# 581653*

REFER TO:

*Dept of Treasury
(see attached note)*

66483

T H E W H I T E H O U S E O F F I C E

REFERRAL

JUNE 23, 1988

TO: DEPARTMENT OF THE TREASURY

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 581653
MEDIA: LETTER, DATED MAY 18, 1988
TO: PRESIDENT REAGAN
FROM: THE HONORABLE JOHN KERRY
UNITED STATES SENATE
WASHINGTON DC 20510

SUBJECT: URGES PRESIDENT TO DISCUSS WITH OTHER NATIONS
AT THE UPCOMING ECONOMIC SUMMIT THE
POSSIBILITY OF CREATING A MULTINATIONAL TASK
FORCE DESIGNED TO SHARE INFORMATION AND
PROMOTE THE ADOPTION OF LAWS AGAINST MONEY
LAUNDERING AND FOSTER PROGRAMS ON THIS ISSUE

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE, 20500

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

June 7, 1988

MEMORANDUM

TO: Gerald Hilsher
Deputy Assistant Secretary
(Law Enforcement)
Department of the Treasury

FROM: Cary Copeland *CC*
Office of Legislative Affairs
(633-4117)

SUBJECT: Suggestion of 5 Senators re Money Laundering Item for
Economic Summit Agenda

Looks to me as if the White House should have sent this to
Treasury rather than Justice. If you agree, I'll have this
formally transferred to Treasury for response.

Please advise.

Attachments

Pat
~~*Ann*~~
Hilsher agrees that
Treasury shd handle this
Can you get changed
with ExBec for Treasury
response?
Cary

6/7/88

JUN 9 9 54 AM '88
OFFICE OF
LEGISLATIVE AFFAIRS

Rec'd a H
6/9/88
PAR

T H E W H I T E H O U S E O F F I C E

REFERRAL

MAY 27, 1988

TO: DEPARTMENT OF JUSTICE
ATTN: THOMAS BOYD

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 581653

MEDIA: LETTER, DATED MAY 18, 1988

TO: PRESIDENT REAGAN

FROM: THE HONORABLE JOHN KERRY
UNITED STATES SENATE

WASHINGTON DC 20510

SUBJECT: URGES PRESIDENT TO DISCUSS WITH OTHER NATIONS
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RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE, 20500

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

May 24, 1988

Dear Senator:

Thank you for your letter of May 18, cosigned by four of your colleagues, regarding illegal narcotic smuggling, and in particular, urging that a multinational organization such as GATT, be developed to combat the sophisticated financial management systems of international drug cartels, specifically, money laundering schemes.

We appreciate being advised of your interest in this matter. In an effort to be of assistance, we have forwarded your letter to the appropriate Administration officials for their careful review. You will receive a more detailed response in the near future.

With best wishes,

Cordially,

Alan M. Kranowitz
Assistant to the President

The Honorable Brock Adams
United States Senate
Washington, D.C. 20510

AMK:KRJ:JWR:jwr

cc: w/copy of inc to Thomas Boyd, Congressional Affairs,
Justice -- for DIRECT

cc: w/copy of inc to Ian McDonald, WH Drug Policy -- fyi ✓

March 24, 1988

Dear Senator Kerry:

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AMK:KRJ:JWR:jwr

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Justice -- for DIRECT

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CLAIBORNE PELL, RHODE ISLAND, CHAIRMAN

JOSEPH R. BIDEN, JR., DELAWARE
PAUL S. SARBANES, MARYLAND
EDWARD ZORINSKY, NEBRASKA
ALAN CRANSTON, CALIFORNIA
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PAUL SIMON, ILLINOIS
TERRY SANFORD, NORTH CAROLINA
BROCK ADAMS, WASHINGTON
DANIEL P. MOYNIHAN, NEW YORK

JESSE HELMS, NORTH CAROLINA
RICHARD G. LUGAR, INDIANA
NANCY L. KASSEBAUM, KANSAS
RUDY BOSCHWITZ, MINNESOTA
LARRY PRESSLER, SOUTH DAKOTA
FRANK H. MURKOWSKI, ALASKA
PAUL S. TRIBLE, JR., VIRGINIA
DANIEL J. EVANS, WASHINGTON
MITCH MCCONNELL, KENTUCKY

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

GERYLD B. CHRISTIANSON, STAFF DIRECTOR
JAMES P. LUCIER, MINORITY STAFF DIRECTOR

May 18, 1988

The Honorable Ronald Reagan
President of the United States
The White House
Washington, D.C.

Dear Mr. President:

The trade in illegal narcotics is a worldwide problem that is literally destroying entire countries: governments are being subverted and economies are being undermined. The amount of money involved is staggering as each year billions of dollars are being laundered through the international banking system.

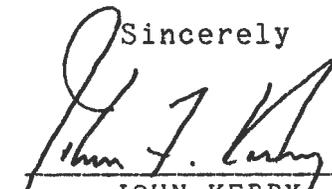
In hearings before the Senate Foreign Relations Committee's subcommittee on Narcotics and Terrorism numerous witnesses have provided evidence of international cartels responsible for smuggling enormous quantities of illegal drugs into the United States, and increasingly Europe and Japan. These organizations have particularly sophisticated systems for money laundering and financial asset management.

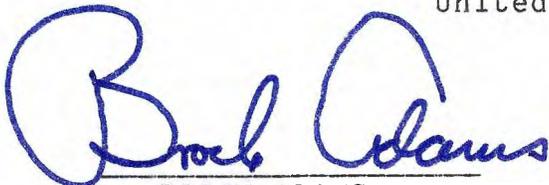
The Committee has also heard witnesses testify that new money laundering laws in the United States, including the 1986 cash transaction reporting laws, have made it more difficult for small time dealers to launder drug profits. Unfortunately, as an obstacle to the operations of the international drug cartels, these regulations are rendered virtually meaningless because cash is smuggled out of the country even more easily than drugs are smuggled in, and few if any of our allies have laws against money laundering or cash transactions.

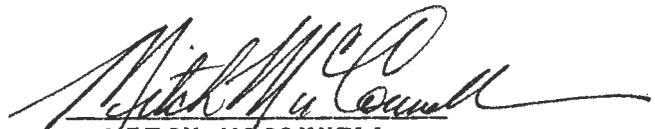
Clearly, a mulilateral effort is needed. Just as the United States has taken the lead in the development of international organizations such as GATT to govern trade, and World Administrative Telephone and Telegraph Conference (WATC) and Intelsat in telecommunications, we believe that the time has come for the United States to create an international money laundering control regime designed to share information, promote the adoption of laws against money laundering, and to generally foster progress on this issue.

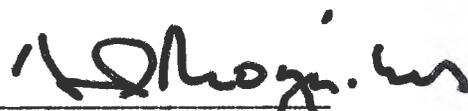
Mr. President, we know that this will be a difficult task, as there are strong economic interests which will resist any change in the traditional approach to bank secrecy. For this reason, we believe that this issue must be discussed and committed to at the highest levels of leadership, and for that reason we are asking you to make this an issue at the economic summit of industrial nations when you meet in Toronto June 20-22, 1988. Only through such discussion among heads of state can sufficient momentum be achieved to insure a speedy and effective campaign to win the war against international narcotics smuggling and money-laundering.

Sincerely


JOHN KERRY
United States Senator


BROCK ADAMS
United States Senator


MITCH MCCONNELL
United States Senator


DANIEL P. MOYNIHAN
United States Senator


FRANK MURKOWSKI
United States Senator

THE WHITE HOUSE

WASHINGTON

May 20, 1988

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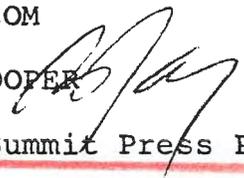
5/23/88

B. J. :

- see 3 notes
- otherwise, looks
o.k.

VB

MEMORANDUM FOR TOM GRISCOM

FROM: B. JAY COOPER 

SUBJECT: Toronto Summit Press Plan

Attached is our proposal for the summit. I discussed the Presidential events with Marlin, who agrees with them, but he has not seen the rest of the plan.

So you know, Jack Nelson of the Los Angeles Times has a request in for an interview with the President and papers for each of the G-7 countries, including his own paper. We have included an interview on this plan for the G-6 countries, but could take Nelson up on his offer to put it together. That's something that can be decided later.

Please let me know what you think.

Thanks.

May 20, 1988

TORONTO ECONOMIC SUMMIT PRESS PLAN

Monday, May 23 - Friday, May 27

- Under Secretary of State Wallis meets with EC journalists visiting Washington.

Mon, June 6 - World Gen Assoc Address - RR

Tuesday, June 7

- NSC Advisor Powell on WORLDNET.

Wednesday, June 8

← Regional Press Lunch - RR

- USTR Yeutter on WORLDNET.
- Commerce Secretary Verity addresses the Council on Foreign Relations.

Thursday, June 9

- Under Secretary of State Wallis holds briefing at Foreign Press Center followed by TV one-on-ones.

Friday, June 10

- Treasury Secretary Baker interviewed by USIA Wireless File and VOA.
- Agriculture Secretary Lyng on WORLDNET.
- Under Secretary of State Wallis holds backgrounder with U.S. economic writers.

Saturday, June 11

- ~~Presidential Radio Address~~ on summit themes.

Monday, June 13

- ~~The President addresses the Atlantic Council.~~
- Treasury Secretary Baker on WORLDNET.

- Secretary Shultz briefs leaders of prominent non-government organizations.

Tuesday, June 14

- Secretary Shultz on WORLDNET to G-6 countries.
- Secretary Verity at Foreign Press Center.
- Secretary Baker with print press or wires from the G-6 countries.
- Briefing in White House Press Room on economic issues.
- Secretary Shultz speech to International Manpower Development Institute at State Department.

Wednesday, June 15

- The President is interviewed by television from G-6 countries.
- Briefing in White House Press Room on agricultural issues.
- Under Secretary Wallis backgrounder with Japanese writers.

Thursday, June 16

- ~~Possible photo-op with White House Summit Group.~~
- The President meets with CEO's.
- The President speaks at Room 450 event on Canadian Free Trade Agreement and summit issues.
- Press books distributed.
- Under Secretary Wallis meets with editors from New York Times, Wall Street Journal, Journal of Commerce, Washington Post and Business Week.
- Backgrounder for news magazines - Senator Baker and General Powell.
- Secretary Shultz and Secretary Baker pre-summit briefing (on-the-record).

Friday, June 17

- ~~The President~~ is interviewed by print journalists from G-6 countries.
- ~~Presidential Address on~~ WORLDNET. (7)
- Under Secretary Wallis and Assistant Secretary Ridgway briefings at State Department.

Saturday, June 18

- ~~Presidential Radio Address on Summit themes.~~

Sunday, June 19 (Travel to Toronto)

- Sunday Talk Shows by Secretary Baker, Secretary Shultz, Senator Baker.
- Official Welcomes.
- Fitzwater briefing in Toronto after G-7 leaders meet on economic issues.

Monday, June 20 (Toronto, two plenary sessions on economic issues)

- Fitzwater briefing. (1:00 p.m.)
- Secretary Baker readout after the plenary sessions. (5:30 p.m.)

Tuesday, June 21 (Toronto, plenary for review of communique)

- Fitzwater briefing. (12:30 p.m.)
- ~~The President holds a press conference following presentation of the communique.~~

Wednesday, June 22

- Assistant Secretary Mulford on post-summit WORLDNET.

Thursday, June 23

-- Under Secretary at Foreign Press Center, followed by TV one-on-ones.

Friday, June 24

-- Assistant Secretary Mulford ARNET.

Monday, June 27

-- USTR Yeutter on WORLDNET.

Tuesday, June 28

-- Secretary Lyng at Foreign Press Center.

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June 3, 1988

NOTE TO JIM HOOLEY

FROM: Ken D.

George Shultz requested from
HHB that he and Mrs. Shultz be
on Air Force One both to and
from the Economic Summit.

Ken D.

xc: Tom Griscom

KENNETH M. DUBERSTEIN
DEPUTY CHIEF OF STAFF

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 8804517
RECEIVED: 17 JUN 88 14

TO: PRESIDENT

FROM: MULRONEY, BRIAN

DOC DATE: 16 JUN 88
SOURCE REF:

KEYWORDS: CANADA
AP

MOSCOW SUMMIT

PERSONS:

SUBJECT: ADVANCED COPY OF LTR FM PM MULRONEY OT PRES REAGAN CONGRATULATING
PRES ON SUMMIT

ACTION: PREPARE MEMO FOR PRES DUE DATE: 21 JUN 88 STATUS: S

STAFF OFFICER: LOWENKRON LOGREF:

FILES: WH NSCIF: CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
LOWENKRON

FOR CONCURRENCE
DANZANSKY

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