

Money laundering and the financial system

3 September 1999

Dear Editors,

With James Brookfield's article "Bank of New York probe exposes ties between Western financiers and Russian Mafia", readers could get an unadulterated sense of the magnitude of modern day cross nation plundering that is mind boggling under the pretext of capitalism.

What makes this article particularly relevant is the effects of such vast cash flows on the bookkeeping and statistics of those economies involved in these money laundering paths. Complicit or not, caretakers of the world financial system are scratching their heads wondering what to do next every time a monetary crisis occurs. And all they could do and have been doing, is to lower interest rates and act pedantic. The point is that the premises and data that they base their actions on are incomplete and grossly misleading. It doesn't take much to realise what these underground cash flows would do the financial asset and real estate prices as these flows are, in financial parlance, "unsterilised" or commingled in the on-shore money supply. And these vast sums are only those that got caught and reported. Coupled with the central banks' confirmed objective of enriching a certain class of asset holders (when in fact their charter is supposedly to fight inflation!), one still wonders why market excesses are supposedly to self adjust when in fact they never do. And history records that the only solution to these end-phase capitalistic quagmires has always been war. Pretty sick, isn't it?

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