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Ladies and gentlemen, I was very glad to hear of the idea of holding a conference of this kind and, of course, I am very happy to be taking part in its work. I should like to begin by thanking those who organized and made possible our presence here in what I am absolutely certain will be a very interesting and useful discussion.

The subject of this conference is a very typical one for us. We have been concerned with these matters for 15 years now. Fifteen years ago Russia was enthused by the idea of the rule of law, the primacy of law, but we perhaps had little idea of the difficulties that we would encounter in trying to implement that idea. Nevertheless we embarked on that course and we are moving quite energetically, I would say. If I had been asked 15 years ago whether it would be possible in so short a period of time to introduce the vast number of changes that have taken place in our country, I would undoubtedly have said that it was not possible. Today I know that it is possible, because it has already happened. That is also inspiring.

The Russian constitution which was enacted in 1993 bases our system of government on the division of powers, and that created conditions under which the law has become a real force which is used to introduce order into and to regulate social relations. Of course, together with the law we have contracts. In the Soviet period we would say that the economy was based upon governmental Acts, on central planning. All of this is now far in the past and the reality of our economic relations is based upon the law and on contracts. The contract has become one of the key instruments for regulating relations in general and economic relations in particular.

Of course, we understood very well that all the elements of a state under the rule of law needed to be in place, and this based on the principle of the division of powers. We needed to create a contemporary body of law which would correspond to contemporary needs; we needed to create an effective judicial system so as to make the administration of justice a reality and to make it effective. It seems to me that all of these are now realities in our system. We understand very well that we are far from having done everything that was necessary and that a difficult road still lies ahead. Perhaps today the most difficult task facing us is carrying through what we call the administrative reforms. Our existing system of legislation, including civil legislation, already provides for a not badly operating judicial system, but the weak spot is its relations with the authorities that are responsible for administering the economic system. However, we are making the changes that are necessary as we go along. I should like to repeat our assurance that we shall cope successfully with this task, first of all, looking back over the distance we have already come and, secondly, relying on the cooperation which over those 15 years has grown up among us and between us, between east and west, between the countries of central

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and eastern Europe and the Western world. We are currently tackling an entirely new task, and that is the task of entering the world economy, the task of entering the space of international law, and that includes European law, of course.

Let me once again thank the organizers of the conference. I look forward to a substantive and practical dialogue on these very practical and extremely important issues, namely ensuring not only the conclusion of contracts but also their enforcement, and, if we are to talk about the work of the courts, ensuring the defence of those who have suffered loss or are suffering as a result of the breach of contractual obligations and ways and means of influencing contractual relations in such a way as to preclude breaches of the law, to make sure that contracts are performed conscientiously, on a voluntary basis, so that there is less necessity for recourse to enforcement by the authorities and the legal instruments would be really used to protect parties to contracts.

I should like to wish this conference all success. I look forward with interest to the presentations of my colleagues. I am sure that the success of the conference is already assured by the fact that my Co-Chairman is Lord Mance. We have already had an opportunity to work together in Strasbourg and I can say that our collaboration was extremely useful.