

U.S. Congresswoman

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Jt. DIMP and Capital Markets Committee Hearing
“Foreign Government Investment in the U.S. Economy and Financial Sector”
Wednesday, March 5, 2008
Statement for the Record

Thank you Mr. Chairman for holding this hearing today. I am sorry I am unable to attend personally, but I am in Florida because of a family medical emergency. Please rest assured I have reviewed the testimony of the witnesses and will have staff fully brief me.

Mr. Chairman, too often Congress is criticized for being reactive instead of proactive. I regularly hear from constituents that many crises of the United States could have been avoided had Congress simply had the foresight to investigate before the problems began.

The meltdown in the subprime market is a prime example.

However, too often Congress also jumps the gun and gets over-involved in market processes through over-regulation and oversight.

The glitches still arising in Sarbanes-Oxley provide a different example.

This committee and its subcommittees have a duty to investigate sovereign wealth funds (SWFs) and their potential to dictate foreign and U.S. domestic policy. As they continue to grow in both size and prevalent use in foreign nations, like many Americans I grow concerned. Just today, the Washington Times published an article titled “Qatar seen bankrolling Hamas.” This article stated that Palestinian leaders claim the government of Qatar provides millions of dollar each year to the people of Gaza, but terrorist Hamas leaders steal this money and use it for their own purposes.

What concerns me over these allegations is that Qatar is in the top 15 countries with the largest holders of foreign reserves. Qatar has one or more SWF, and held roughly \$5 billion in U.S. debt in 2006. This represents a 346% increase in their holdings since 2001.

I am not alleging that the government of Qatar is using its SWF to fund Hamas; but this information represents a troubling quagmire for the United States and those who purchase our debt. I hope we work in sync and effectively with the International Monetary Fund,

the World Bank, and the Organization for Economic Operation and Development as they establish guidelines for SWF operations.

Again, thank Mr. Chairman for your foresight in holding this hearing, and I am sorry I was unable to attend.