

**House Committee on Financial Services
Opening Remarks
By Rep. Maxine Waters**

**Hearing on “H.R. 6066, the Extractive Industries
Transparency Disclosure Act”**

**Thursday, June 25, 2008
2128 Rayburn, 10:00AM**

I would like to thank Chairman Barney Frank for organizing this hearing and for introducing H.R. 6066, the Extractive Industries Transparency Disclosure Act.

Throughout my career, I have taken an active interest in the countries and peoples of Africa. I have always noted with dismay that many African countries are desperately poor countries despite being rich in natural resources. The tendency for countries that are rich in oil, gas, and mineral resources to experience slower growth, higher levels of poverty, and more civil strife than countries that are not resource-rich has come to be known as the “resource curse.”

Liberia is a good example. Liberia is endowed with a wealth of diamonds. These diamonds should have been a blessing for Liberia’s impoverished people. Instead, they fueled a civil war that lasted fourteen years, took the lives of 270,000 Liberians, and displaced almost one million more. The civil war finally ended less than three years ago with the election of Liberian President Ellen Johnson Sirleaf, the first woman head of state in Africa.

I am hopeful that the restoration of democracy will lead to a brighter future for the people of Liberia. However, 75 percent of Liberia’s population still lives on less than \$1 per day, and Liberia owes \$3.7 billion to foreign countries and multilateral financial institutions. It is not hard to understand why the Liberian people might think they have been cursed with diamonds.

Other resource-rich countries have also experienced poverty, authoritarian rule, and civil strife. The government of Sudan has exported billions of dollars worth of oil to China and purchased over \$80 million in arms, ammunition, and aircraft equipment from China, while committing genocide against its own people. Angola is rich in oil, and Sierra Leone is rich in diamonds, and both are recovering from civil wars. South Africa is rich in gold, platinum, and coal, and it is recovering from decades of oppression under the brutal system of apartheid.

Transparency is essential to free countries from the resource curse. Oil, gas, and mining companies should be required to report all of the revenues they pay to resource-rich developing countries. Such reports should include all payments made to government agencies and national and local elites, including bribes and other payments to individual politicians.

These reports should be made available to company shareholders, government regulators, the American people, and the people of the resource-rich developing countries themselves. Revenue transparency would allow the people of these countries to hold their governments accountable for the use of public revenues, just as other populations hold their governments accountable for the use of public tax funds.

The Extractive Industries Transparency Disclosure Act requires all extractive industry companies that are listed on U.S. exchanges or required to file reports with the Securities and Exchange Commission (SEC) to file an annual report disclosing payments made to foreign governments for natural resources or the right to extract such resources. I am proud to cosponsor this important bill.

I look forward to the testimony of the witnesses on the Extractive Industries Transparency Disclosure Act, and I yield back the balance of my time.