



HELSINKI COMMISSION HEARING

UNITED STATES COMMISSION ON
SECURITY AND COOPERATION IN EUROPE

Testimony :: Hon. Christopher H. Smith

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Ranking Minority Member - Commission on Security and Cooperation in Europe

Thank you, Mr. Chairman, and welcome to everyone joining us this afternoon.

Government corruption, including but not only in extractive industries, damages the political culture of many countries, and contributes to the impoverishment of millions of people. It is a grave problem, and it leads to many human rights violations, as when officials accept bribes to take people's property and give it to mining companies or developers—this is a very common occurrence in many countries—or connive at the murder of journalists investigating corruption.

Corruption is a form of theft, and, while laws and intergovernmental processes will never completely eradicate it, we have seen that good laws and determined efforts can reduce corruption, and foster more honest political and business cultures. One of the great success stories in this respect has been our own Foreign Corrupt Practices Act. When Congress was debating the bill, its opponents said it would not reduce corruption but only decimate U.S. international business in favor of rival countries. It didn't do any such thing, and, gradually, other countries have moved toward accepting the norms first established by the FCPA. Such norms have also been promoted, for example, by the Parliamentary Assembly of the OSCE PA, at its 2000 meeting in Bucharest, and, in a different way, by H.R. 557, legislation which I co-sponsored and which will stop U.S. funds from bankrolling UN Corruption.

Mr. Chairman, there are serious reasons to doubt whether some of the most important current transparency initiatives, including the Extractive Industries Transparency Initiative (EITI), have been effective. The EITI's members and candidate members include some of the most corrupt and repressive governments in the world—governments whose willingness to permit EITI procedures to genuinely root out corruption one may well question.

I look forward to learning from our witnesses about the successes and failures of transparency initiatives, and to discussing what role our government can play in improving them. Thank you, Mr. Chairman, for calling this hearing.