

TESTIMONY

**Testimony of U.S. Senator Judd Gregg
Before the Subcommittee on Oversight of Government Management,
Restructuring and the District of Columbia
Committee on Governmental Affairs
The Role of U.S. Agencies in Fighting the Conflict Diamond Trade
February 13, 2002**

Diamonds are among our most treasured symbols of love and affection, and they are never more important than on Valentine's Day. But in some parts of west Africa, they have become a source of violent conflict and unspeakable atrocities. Criminal gangs have taken control of many of the diamond mines in such countries as Sierra Leone, Angola, and Congo. They use the profits from diamond sales to terrorize civilians and further expand their influence. Nowhere has the effect of the illicit diamond trade been more graphic than in Sierra Leone. Sierra Leone is rich in diamonds, and yet it is among the poorest nations in the world. As early as 1991, the rebel group Revolutionary United Front, or "RUF", began taking control of many of Sierra Leone's diamond mines. The RUF is notorious for its use of amputations, murder, and rape in waging its campaign of terror. Images of infants missing limbs and disemboweled pregnant women have horrified and disgusted us. But now, sadly, we must add a new image to this pictorial: sequential explosions over the New York City skyline, the collapse of two massive skyscrapers, and the violent death of more than three thousand Americans.

There is a growing body of evidence linking Osama Bin Laden's terror network and conflict diamonds. This link has elevated the issue of conflict diamonds from one of humanitarian concern to one of national security concern. The link between the illicit diamond trade and terrorism makes sense. Diamonds provide terrorists an ideal way to conceal funds, move funds across borders, and to liquefy funds quickly. We do not yet know how many millions of dollars Al Qaeda and other terrorist networks may have raised through the illicit diamond trade, but I suspect that this number is at least in the tens of millions. As if the deaths of thousands of innocent west Africans weren't enough, new information linking conflict diamonds to Osama Bin Laden necessitates a legislative response.

Last year, negotiations between non-governmental organizations and the jewelry industry produced a bipartisan piece of legislation that would have prohibited the importation of diamonds into the United States from any country that did not have a diamond certification system. Under this system, diamonds entering the United States would have to be packaged in tamper-proof containers and be accompanied by an official certificate from the recognized government of the exporting country. When the Commerce, Justice, State appropriations bill passed the Senate 97 to 0 on September 13, 2001, it contained this consensus legislation. The House Ways and Means Committee objected to the conflict diamonds provision on jurisdictional grounds and demanded that it be stripped out. It was not until news of a possible link between conflict diamonds and terrorism surfaced that the Ways and Means Committee finally acted on conflict diamonds legislation. That bill, H.R. 2722, was drafted in conjunction with the Administration, and passed the House in late November. The Senate must move swiftly to pass meaningful conflict diamonds legislation.

A story is unfolding before us. The story links a mere mineral resource to the suffering of thousands of west Africans, and now perhaps to the deaths of thousands of Americans. To ease the suffering of the west Africans, to protect the legitimate diamond trade that is the lifeblood of many African countries, and now for our own national security, we must put an end to conflict diamonds. The U.S. must develop a regionally-based, comprehensive strategy towards west Africa. As conflicts flare up in Ivory Coast, Sierra Leone, Liberia, and Guinea with almost rhythmic regularity, we must ask ourselves what should we have done, what must we now do, and what must we do differently in the

future? In the past, we have been unable or unwilling to address these difficult questions. This might explain why we have been paralyzed even while effective, preventative measures, like those I have just outlined, are at our fingertips. The key is to act. The witnesses you will hear from today are much more familiar with the complexities of the conflict diamonds problem than I. Let us hear them, let us learn from them, and then let us act.

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