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May 11, 2001

Secretary Paul O'Neill  
Department of the Treasury  
1500 Pennsylvania Ave., NW  
Washington, DC 20220

Dear Secretary O'Neill,

Thank you for rejecting the Organization for Economic Cooperation and Development's (OECD) initiative that proposes to undermine tax competition, financial privacy, and fiscal sovereignty.

The American Conservative Union is very strongly opposed to this initiative. The United States is the world's biggest beneficiary of tax competition. As such, any effort to restrict competition between nations is bound to hurt America's economy, harming job creation and lowering living standards.

America's low tax policies have over the years attracted trillions of dollars of capital to American soil. This capital inflow generates high-paying jobs and protects our strong U.S. dollar on currency markets. Signing on to the OECD's plan could mean rising unemployment and a weak dollar.

This OECD project could subject the United States to punitive action in the form of protectionism on international markets. For example, the OECD could designate our nation as a rogue "tax haven" for reducing taxes. In order to enforce "fair" tax competition, the initiative calls for the creation of an international infrastructure to monitor earnings at a global level. This portion of the OECD project would violate every American's constitutional rights to due process and privacy spelled out in the Fourth Amendment.

ACU agrees that the OECD's "harmful tax practice" initiative is, as you have concluded, "too broad and not in line with" America's best interests.

Sincerely,

David A. Keene, Chairman