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March 16, 2001

The Honorable Paul O'Neill
Secretary of the Treasury
Department of Treasury
1500 Pennsylvania Avenue
Washington, DC 20220

Dear Secretary O'Neill,

Every nation should have the right to determine its own economic policy, including decisions on how to tax the economic activity that takes place inside its borders. Unfortunately, this elementary principle of national sovereignty is being attacked by the Organization for Economic Cooperation and Development (OECD).

The Paris-based bureaucracy is attacking low-tax nations because they lure savings and entrepreneurial talent away from high-tax countries. The OECD calls this "harmful tax competition," and, in an effort to prop up bad tax policies, the OECD is demanding that these low-tax nations change their tax and privacy laws to make it easier for Europe's welfare states to tax income on a worldwide basis.

Even though America benefits from tax competition, the Clinton Administration was an avid supporter of the OECD policy. I ask that you overturn this misguided policy. Tax competition, financial privacy, and fiscal sovereignty should be celebrated rather than persecuted. The OECD's effort to create an international web of tax information-sharing between nations is an affront to the principles of a free society and the cartel they want to set up for the benefit of high-tax nations is a threat to the world economy.

The United States should defend the right of all nations to adopt market-based tax and privacy laws, particularly since many of our high-tax competitors would like to use the OECD attack on low-tax countries as a precedent to undermine America's comparative advantage.

I trust that you will move quickly to defend America's national interests and reject the OECD's assault on tax competition. Thank you in advance for your attention to this matter and I look forward to your response.

Sincerely,

Roscoe G. Bartlett
Member of Congress