PHIL ENGLISH
21ST DISTRICT, PENNSYLVANIA

WAYS AND MEANS COMMITTEE

SUBCOMMITTEES:
HUMAN RESOURCES
HEALTH
TRADE

JOINT ECONOMIC COMMITTEE

CHAIRMAN:
CONGRESSIONAL STEEL CAUCUS
CONGRESSIONAL REAL ESTATE CAUCUS

Congress of the United States
House of Representatives
Washington, DC 20515–3821

PLEASE REPLY TO:

☐ 1410 LONGWORTH BUILDING
WASHINGTON, DC 20515–3821
(202) 225–5406

☐ 310 FRENCH STREET, SUITE 107
ERIE, PA 16507–1543
(814) 456–2038

☐ 900 N. HERMITAGE ROAD, SUITE 6
HERMITAGE, PA 16148–3243
(724) 342–6132

☐ 912 CHESTNUT STREET, SUITE 114
MEADVILLE, PA 16335–3208
(814) 724–8414

☐ 602 BUTLER MALL
BUTLER, PA 16001–2428
(724) 285–7005

March 1, 2002

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

Dear Secretary O'Neill,

International bureaucracies such as the European Union and the Organization for Economic Cooperation and Development, acting at the behest of high-tax nations, argue that it is "harmful" when jobs and capital migrate from high-tax nations to low-tax nations. In an effort to undermine tax competition, the OECD and EU want to give high-tax nations the right to tax income earned in low-tax jurisdictions.

I want to thank you for resisting these tax harmonization schemes. Instead of trying to create a tax cartel or a global network of tax police, high-tax nations should reform their tax systems and lower marginal tax rates. Indeed, Ireland's supply-side tax reforms demonstrate how Europe's welfare states can resuscitate their failing economies. Sweeping tax rate reductions have helped boost Irish growth to record levels and reduce unemployment from 15 percent to 5 percent. Little wonder, then, that Ireland is now known as the "Celtic Tiger" and the "Hong Kong of Europe."

But this is not just a matter of promoting good tax policy. The United States is the world's biggest beneficiary of tax competition. Our tax burden is much lower than it is in most other industrialized nations. This has helped attract trillions of dollars to our economy. This capital creates jobs and boosts our financial markets. Needless to say, it would be foolish to back tax harmonization policies such as "information exchange" that would enable foreign governments to tax the U.S.-source income generated by this money.

I look forward to working with you to make our tax code even more competitive in the coming years. Thank you again for your defense of America's economic interests.

Sincerely,

Phil English

Phil English

Phil.English@mail.house.gov
www.house.gov/english