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J. Randy Forbes
United States Congress

4th District, Virginia

September 10, 2001

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The Honorable Paul H. O'Neill
Secretary
United States Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary O'Neill:

I am writing to express my concerns with the Organization for Economic Cooperation and Development's (OECD) initiative on harmful tax practices. I have been heartened by your statements over the past several months that the United States cannot support many of the principles of this initiative, and I am hopeful that the United States will continue to provide leadership in the international community on these matters.

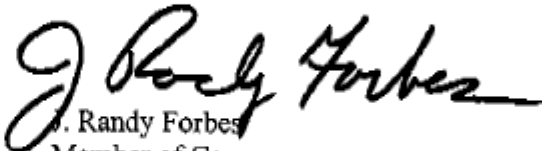
Specifically, I am concerned about the central premise of the OECD proposal that essentially equates low tax rates to suspect policy. In this nation, we know through experience that lower tax rates lead to more jobs, freer capital, and prosperity for all. We should encourage our neighboring nations to pursue similar policies to boost their economies and improve the welfare of their citizens. The OECD initiative would actually punish nations for following this course of action.

Furthermore, I am concerned that the OECD proposal will be particularly harmful to developing nations. They – more than any others in the international community – should be encouraged to institute sound tax and economic policies, including low tax rates, that boost their economies. In particular, I know that you have heard from many of my colleagues who are concerned about how the OECD initiative would harm many Caribbean nations and other budding economies in our hemisphere. I share their concerns.

I understand that the OECD Fiscal Affairs Committee will be meeting later this month, and that this matter may be a topic of discussion. I would appreciate your taking my concerns and those of nearly 60 of my House colleagues into consideration as the Administration continues to formulate its position on this issue.

Thank you for your attention to this matter. If I can be of any further assistance, please feel free to have your staff contact my Legislative Director, Michelle Presson, at 202-225-6365.

With Kindest Personal Regards, I am,



J. Randy Forbes
Member of Congress

JRF:mcp