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Congress of the United States

House of Representatives

Washington, DC 20515-0306

April 30, 2001

The Honorable Paul H. O'Neill
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary O'Neill:

I am writing to express my concerns about the potential effects of the Organization for Economic Cooperation and Development's (OECD) so-called "harmful tax competition" initiative on the U.S. economy. Our economy is the strongest in the world, in part because our tax levels are low compared to other industrialized nations.

Unfortunately, our comparative advantage in the world economy is being threatened by the OECD initiative. The Paris-based bureaucracy is seeking to compel low-tax nations to rewrite their tax and privacy laws so that it will be easier for high-tax nations to collect taxes on a worldwide basis. Inexplicably, the Clinton Administration supported this project -- even though the OECD initiative creates a precedent that high-tax nations could use against America.

The OECD's project is a threat to our national interests, and is also an assault on financial privacy and fiscal sovereignty. I strongly urge you to withdraw U.S. support for this initiative.

Thank you for your consideration of my views.

Best regards,

J.D. Hayworth
Member of Congress

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