

DONALD A. MANZULLO

SMALL BUSINESS
CHAIRMAN

FINANCIAL SERVICES
FINANCIAL INSTITUTIONS AND
CONSUMER CREDIT

INTERNATIONAL MONETARY
POLICY AND TRADE

16TH DISTRICT, ILLINOIS
409 CANNON BUILDING
WASHINGTON, DC 20515
202/225-5676

DISTRICT OFFICES:
415 SOUTH MULFORD ROAD
ROCKFORD, IL 61108
815/394-1231

181 N. VIRGINIA AVENUE
CRYSTAL LAKE, IL 60014
815/356-9800

Congress of the United States
House of Representatives
Washington, DC 20515-1316

April 4, 2001

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

Dear Secretary O'Neill:

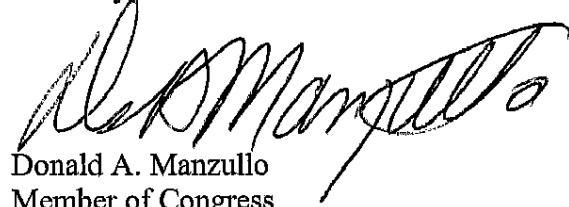
Rarely in my years as a lawmaker have I come across a policy as misguided and contrary to America's national interests as the so-called "harmful tax competition" initiative being pushed by the Organization for Economic Cooperation and Development (OECD). I want to let you know of my unwavering opposition to the OECD's attack on low-tax nations and to strongly urge you to reverse the previous administration's policy of support for this statist proposal.

I am particularly concerned that the OECD's proposed cartel for the benefit of high-tax nations will have adverse effects on America's small businesses. As you surely know, our tax and privacy laws make the United States a tax haven for foreign investors. This has resulted in \$7 to \$10 trillion of capital from overseas being invested in our economy. These funds both directly and indirectly help finance small business growth, yet the global system of tax information exchange envisioned by the bureaucrats in Paris will undermine our ability to attract and retain foreign investment.

Moreover, I have grave concerns regarding the OECD's campaign against financial privacy and fiscal sovereignty. Nations should be free to adopt policies that will promote economic growth and individual freedom. Needless to say, forcing low-tax countries to become part of an international network of tax police — just to help enforce the laws of nations with oppressive tax burdens — is inimical to the principles upon which our nation was founded.

I call upon you to reject the OECD initiative. Tax competition, financial privacy, and fiscal sovereignty should be celebrated rather than persecuted, and I look forward to working with you to make America's tax system the most attractive in the world.

Sincerely,



Donald A. Manzullo
Member of Congress