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5TH DISTRICT, TEXAS

COMMITTEE ON RULES

COMMITTEE ON BANKING
AND FINANCIAL SERVICES
(ON LEAVE)

RESULTS CAUCUS
CHAIRMAN



Congress of the United States
House of Representatives

September 10, 2001

The Honorable Paul H. O'Neill
Secretary of the Treasury
Department of the Treasury
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Dear Mr. Secretary:

With the economy not yet recovered from the weakness that began last year, it is very important that we focus on policies that will promote growth and boost America's economy. The Bush tax cut is a good start, and I look forward to working with you on further tax cuts and tax reforms that will improve incentives to work, save, and invest.

It also is imperative that we avoid policies that will hurt the economy. This is why I am so glad that you are resisting the misguided tax harmonization initiatives of the European Union and Organization for Economic Cooperation and Development. The United States is the world's biggest beneficiary of "tax competition," and it would make no sense to support "information exchange" or other harmonization initiatives that would hinder the flow of capital to the U.S. economy or give foreign governments the power to tax income earned in America.

International bureaucracies have no right to meddle in the domestic policies of sovereign jurisdictions. If some high-tax governments are upset that jobs and capital are migrating to countries with more attractive tax and privacy laws, they should enact market-based reforms, not seek to create what has been referred to as a "global network of tax police." Thank you again for protecting our nation's economic interests.

Sincerely,

Pete Sessions
Member of Congress

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