

Congress of the United States
House of Representatives
Washington, DC 20515-4304

April 12, 2002

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

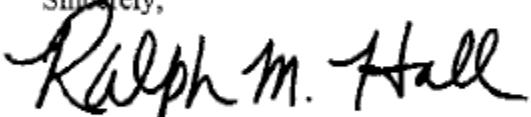
Dear Mr. Secretary:

Serving as a Representative from a zero-income tax state, I understand the value and importance of jurisdictional tax competition. Fiscally responsible policies in Texas have helped attract jobs and capital from around the country. This is good for Texas, and it also helps taxpayers in other states by discouraging excessive tax burdens. Tax competition between national governments also promotes pro-growth policies. Tax rate reductions implemented by Ronald Reagan and Margaret Thatcher helped trigger lower tax rates in more than 100 nations.

Thanks to the Reagan tax cuts and the recent Bush tax cuts, the United States has a low tax burden compared to other industrialized nations, and this has helped us attract jobs and capital from around the world. Needless to say, America has nothing to gain and much to lose if international bureaucracies such as the Organization for Economic Cooperation and Development and the European Union succeed in replacing tax competition with tax harmonization.

You deserve much credit for resisting these ill-advised proposals. I hope you will continue your defense of America's economic interests.

Sincerely,


Ralph M. Hall
Member of Congress

RMH/jej

Please reply to:

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