

# Congress of the United States

JOINT ECONOMIC COMMITTEE

(CREATED PURSUANT TO SEC. 5(a) OF PUBLIC LAW 304, 79TH CONGRESS)

Washington, DC 20510

July 10, 2001

The Honorable Paul H. O'Neill  
Secretary  
Department of the Treasury  
Suite 3330  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Mr. Secretary:

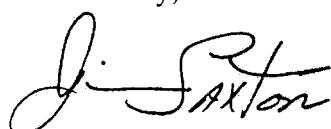
Thank you for taking the time out of your busy schedule to meet recently with members of the Joint Economic Committee. Our wide-ranging discussion of various topics related to national and international economic policy was useful and informative.

I would also like to thank you for your work on international economic and tax policy. Your support for reform of the International Monetary Fund and World Bank (IFIs) is an important breakthrough in U.S. international economic policy. More transparency, accountability, efficiency and effectiveness in the operations of these institutions will improve the prospects for international financial stability, and progress in the living standards of underdeveloped countries.

Your efforts to end U.S. support for efforts to halt "harmful" tax competition are also appreciated. Tax competition, like other forms of competition, is a good thing, and promotes lower tax rates, economic efficiency and growth around the world. It would be undesirable to bolster high tax policies and excessive reporting requirements, or encourage the spread of this counterproductive approach to other nations, least of all the U.S. In the future it would be appropriate for the Organization for Economic Cooperation and Development (OECD) to focus on its informational programs and avoid inappropriate involvement in controversial policy initiatives.

I look forward to continuing a productive dialogue on economic policy with you and your colleagues at the Treasury Department.

Sincerely,



Jim Saxton  
Chairman