

United States Senate

WASHINGTON, DC 20510-0104

August 3, 2001

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

Dear Secretary O'Neill:

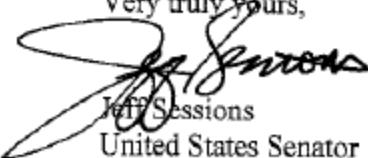
I am writing to express my concern about the "information exchange" schemes being advanced by the Organization for Economic Cooperation and Development. This initiative, which is being pursued by high-tax nations for the purpose of thwarting tax competition, is contrary to America's economic interests.

You have performed a great service by fighting to preserve tax competition. Thanks to your efforts, the explicit tax harmonization agenda of some European nations has been thwarted. This is good news for America, since we are the world's biggest beneficiary of tax competition. But it is also good news for taxpayers in other countries, many of whom are able to protect their families' interests by investing in the U.S. economy.

Indeed, this is why I want to draw your attention to the information exchange issue. If the OECD succeeds in creating what has been called a "global network of tax police," the United States will face tremendous pressure to change our attractive tax and privacy laws. Other countries should not tax income earned in America. And they certainly should not expect the United States government to help them enforce their bad tax laws inside our borders—especially if it means that we would have to compel our financial institutions to become informers for other nations' tax collectors.

I urge you to reject the information exchange proposals of the OECD to protect America's economic interests. I hope you will not hesitate to call on me if I can be of assistance to you.

Very truly yours,



Jeff Sessions
United States Senator

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