

United States Senate

WASHINGTON, DC 20510-0104

February 11, 2002

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

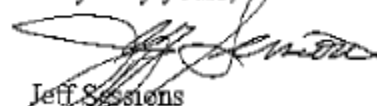
Dear Secretary O'Neill:

I want to express my appreciation for your defense of tax competition. Nations should not conspire against taxpayers. This represents bad tax policy, and it also is contrary to America's national interests. The United States has a relatively low tax burden compared to other nations, so we would undermine our competitive advantage in the global economy by agreeing to tax harmonization proposals like "information exchange."

Unfortunately, it appears that the Organization for Economic Cooperation and Development (OECD) and the European Union have a new ally. The United Nations is hosting a "Financing for Development" conference in March at a resort in Mexico. The conference is designed to boost foreign aid, and the working papers for the event endorse tax harmonization. Even more alarming, a "High Level Panel" appointed by the Secretary-General endorsed an International Tax Organization and global taxes on either currency transactions or carbon.

These initiatives should be rejected. They would undermine America's economy, and they would be bad for other nations, as well. I hope you will monitor developments at the U.N. to ensure our fiscal sovereignty is not undermined.

Very truly yours,



Jeff Sessions
United States Senator

JS:hs