Facts About the OECD: A Pro-Tax International Bureaucracy

The Organization for Economic Cooperation and Development (OECD) is a Paris-based bureaucracy that seeks to punish low-tax jurisdictions in an attempt to hinder the flight of jobs and capital from high-tax countries. Unwilling to reform their tax codes for fear of undermining their ballooning and highly inefficient welfare states, OECD member nations are resorting to unjust protectionist measures against jurisdictions that have adopted free-market tax policies.

**FACT:** American taxpayers pay one-fourth of the OECD’s expenses. The US’s direct contribution is more than $90 million, and the cost of the US delegation in Paris is another $5 million.

**FACT:** The OECD repeatedly has urged the United States to adopt a value-added tax and a plethora of other tax increases.

**FACT:** The OECD is trying to interfere with the right of U.S. states to control their own corporation laws. The OECD is attacking incorporation laws in American states because high-tax nations are unhappy that investment activity is shifting to America.

**FACT:** The OECD’s anti-tax competition project is a threat to national sovereignty. Bureaucrats in Paris should have no right to dictate tax policy to sovereign jurisdictions.

**FACT:** The OECD has sided with unions in a campaign to hinder competition in the international shipping market. The OECD proposal, the result of an unholy alliance between unions and high-tax governments, sought to cripple “open registries” that have lowered shipping costs.

**FACT:** The OECD has expressed support for global taxation by endorsing the United Nations’ proposal for “innovative sources of financing,” which means taxes levied by the U.N., potentially on carbon, currency transactions, and airline tickets.

**FACT:** Many of the OECD’s member states—including the United States and the United Kingdom—qualify as tax havens. This frustrates the OECD’s efforts to discriminate against small and less powerful low-tax jurisdictions, since such efforts reek of hypocrisy.
FACT: The OECD seeks to make it easier for nations to: a) impose high tax rates; b) double-tax income that is saved and invested; and c) tax income earned in other jurisdictions. If the OECD is successful, reforms like the flat tax would be an impermissible “harmful tax practice.” Global growth will suffer as bad policy is perpetuated.

For More Information:

http://www.freedomandprosperity.org/Papers/oecd-funding/oecd-funding.shtml

November 2005, CF&P Foundation Prosperitas, “The OECD's Anti-Tax Competition Campaign: An Update on the Paris-Based Bureaucracy's Hypocritical Effort to Prop Up Big Government,” by Dan Mitchell
http://www.freedomandprosperity.org/Papers/oecd-hypocrisy/oecd-hypocrisy.shtml