



United Seniors Association, Inc.

Working to protect the retirement security of *all* Americans.

April 20, 2001

The Honorable Paul O'Neill
Secretary of the Treasury
Department of Treasury
1500 Pennsylvania Avenue
Washington, DC 20220

Dear Secretary O'Neill,

On behalf of the 550,000 members and supporters of the United Seniors Association, I am writing to state my strong opposition to the tax information exchange regime being promoted by the Organization for Economic Cooperation and Development as part of its "harmful tax competition" initiative. This initiative, which House Majority Leader Dick Armey correctly labeled a "global network of tax police," is the wrong answer to the wrong problem.

The problem is not that some countries have tax rates that are too low, or that some countries have privacy laws that are too strong. Instead, the problem is that high-tax nations are seeking to double tax income that is saved and invested – and that they even want to impose their oppressive tax systems on income earned in other nations. This approach is greatly misguided. Moreover, because savings and investment are so important for a comfortable retirement, the OECD initiative will have an adverse impact on senior citizens.

If nations want to encourage greater compliance with their tax laws, they need to lower tax rates and reform their tax codes. Countries also should respect each other's sovereignty by taxing only income that is earned inside their respective borders. This approach – not a international tax cartel – that promotes economic growth and individual freedom

Thank you for your attention to this issue and I look forward to working with you to make America's tax system even more attractive to the world's investors.

Sincerely,

CHARLES W. JARVIS

President and Chief Executive Officer