

MAJOR R. OWENS  
11TH DISTRICT, NEW YORK  
COMMITTEE ON  
EDUCATION AND LABOR  
COMMITTEE ON  
GOVERNMENT OPERATIONS



WASHINGTON OFFICE:  
2305 RAYBURN BUILDING  
WASHINGTON, DC 20515-3211  
(202) 225-6231  
DISTRICT OFFICES:  
289 UTICA AVENUE  
BROOKLYN, NY 11213  
(718) 773-3100  
1310 CORTELYOU ROAD  
BROOKLYN, NY 11226  
(718) 840-3213

Congress of the United States  
House of Representatives  
Washington, DC 20515-3211

February 7, 2001

The Honorable Paul H. O'Neill  
Secretary  
U. S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary O'Neill:

I am very concerned about an initiative that may impose significant economic damage on many of our neighbors in the Caribbean. The Paris-based Organization for Economic Cooperation and Development, of which the United States is a member, is threatening many of these nations with financial protectionism and other economic sanctions simply because these jurisdictions have tax policies that are attractive to foreign investors.

This is a fundamental violation of sovereignty. Perhaps more importantly, however, the OECD's attack on international tax competition undermines the ability of these nations to develop and/or maintain financial services industries. As you surely realize, the Caribbean has been subject to grave economic pressures because it is increasingly difficult for the region to prosper while relying on basic commodities such as sugar and bananas.

If the OECD campaign against these nations causes substantial damage to their financial services industries, this will be yet another devastating blow to the region. This would cause significant economic hardship and cause poverty rates to climb even higher.

Wealthy nations of the world should not be trying to penalize developing nations for enacting tax policies that are attractive to investors. OECD countries control the vast majority of the world's capital and have benefitted for centuries from exploitative relationships with the less developed world. For the industrialized world to suddenly threaten severe penalties on these nations because they now are becoming effective competitors is both morally objectionable and economically misguided.

I hope you will re-examine American support for the OECD's anti-tax competition campaign.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Major R. Owens".  
MAJOR R. OWENS  
Member of Congress